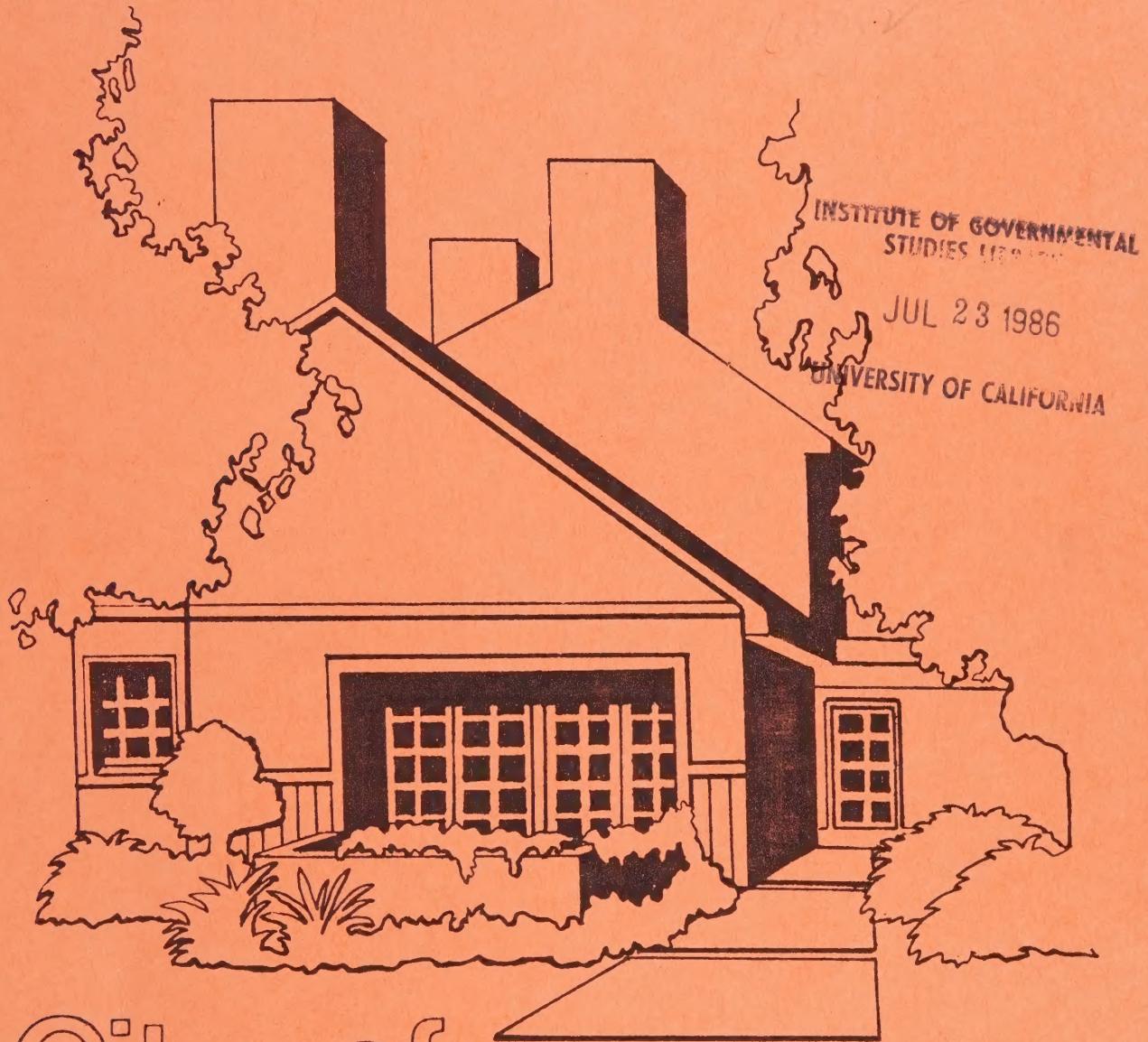


86 01170

CITY OF HUNTINGTON BEACH
OFFICE OF THE CITY CLERK
2000, MAIN STREET
HUNTINGTON BEACH, CALIF. 92648

HOUSING ELEMENT



INSTITUTE OF GOVERNMENTAL
STUDIES / UCB

JUL 23 1986

UNIVERSITY OF CALIFORNIA

City of
Huntington Beach
july 1984



CITY OF HUNTINGTON BEACH

CITY COUNCIL

JACK KELLY, Mayor
JOHN THOMAS, Mayor Pro Tem
RUTH S. BAILEY
RUTH FINLEY
DON MacALLISTER
ROBERT P. MANDIC, JR.
RON PATTINSON

CHARLES W. THOMPSON, City Administrator

PLANNING COMMISSION

MARCUS PORTER, Chairman
TOM LIVENGOOD, Vice Chairman
JOHN ERSKINE
FRANK P. HIGGINS
FRANK MIRJAHANGIR
JEAN SCHUMACHER
GRACE H. WINCHELL

86 01170

HOUSING ELEMENT

HUNTINGTON BEACH GENERAL PLAN

**Department of Development Services
James W. Palin, Director**





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RESOLUTION NO. 4806

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON BEACH REVISING THE HOUSING ELEMENT OF THE GENERAL PLAN BY ADOPTING AMENDMENT NO. 79-1 TO THE HOUSING ELEMENT OF THE GENERAL PLAN AND ENVIRONMENTAL DOCUMENT THERETO

WHEREAS, the City Council of the City of Huntington Beach desires to update the General Plan in keeping with changing community needs and objectives; and

Public hearing on Housing Element Amendment No. 79-1 was duly conducted before the Planning Commission on October 16, 1979, and approved for recommendation to the City Council; and

The Department of Housing and Community Development of the State of California on November 17, 1977, adopted a revised set of Housing Element Guidelines to aid localities in complying with provisions contained in the California Government Code Subdivision Map Act; and

The City's adopted Housing Element has been revised in compliance with said Housing Element Guidelines and the Government Code; and

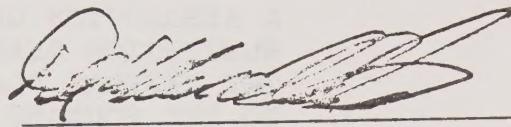
The City Council, after giving notice as prescribed by Government Code Section 65355, held at least one public hearing to consider the Housing Element Amendment; and

At said hearing before the City Council, all persons desiring to be heard on said amendment were heard,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntington Beach, pursuant to Title 7, Chapter 3, Article 6 of the California Government Code commencing with Section 65357, that Amendment No. 79-1 to the Housing Element of the General Plan, together with Negative Declaration No. 79-56 are hereby approved.

PASSED AND ADOPTED by the City Council of the City of

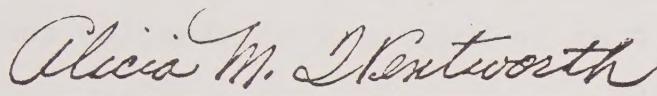
Huntington Beach at a regular meeting thereof held on the
5th day of November, 1979.



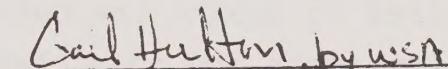
Mayor

ATTEST:

APPROVED AS TO FORM:

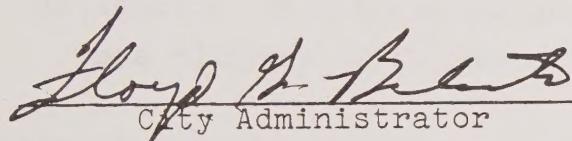


Alicia M. Kentworth
City Clerk



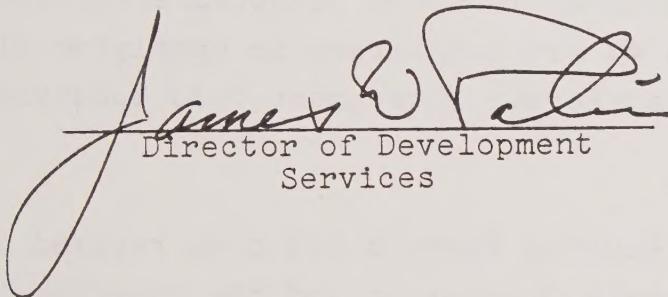
Carl Hutton, Jr. ^{by wsn}
City Attorney JG

REVIEWED AND APPROVED:



Lloyd G. Bentz
City Administrator

INITIATED AND APPROVED:



James E. Clark
Director of Development
Services

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss:
CITY OF HUNTINGTON BEACH)

I, ALICIA M. WENTWORTH, the duly elected, qualified City Clerk of the City of Huntington Beach, and ex-officio Clerk of the City Council of said City, do hereby certify that the whole number of members of the City Council of the City of Huntington Beach is seven; that the foregoing resolution was passed and adopted by the affirmative vote of more than a majority of all the members of said City Council at a regular _____ meeting thereof held on the 5th day of November , 19_____, by the following vote:

AYES: Councilmen:

Mandic, Bailey, Yoder, Finley

NOES: Councilmen:

Pattinson, Thomas, MacAllister

ABSENT: Councilmen:

None

Alicia M. Wentworth

City Clerk and ex-officio Clerk
of the City Council of the City
of Huntington Beach, California

RESOLUTION NO. 5600

A RESOLUTION OF THE CITY COUNCIL ADOPTING
HOUSING ELEMENT AMENDMENT NO. 85-1 TO THE
CITY'S GENERAL PLAN

WHEREAS, the City Council of the City of Huntington Beach desires to update and refine the General Plan in keeping with changing community needs and objectives; and

A public hearing on adoption of Housing Element Amendment No. 85-1 to the General Plan was held by the Planning Commission on November 5, 1984, and the Commission recommended its adoption to the City Council; and

California Government Code section 65586 requires that the city conform its Housing Element to meet the provisions of Title 7, Division 1, Chapter 3, Article 10.6, commencing with sections 65580 et seq.; and

The California Department of Housing and Community Development has recommended certain modifications to bring such Housing Element into complete conformance; and

The City Council, after giving notice as prescribed by law, held at least one public hearing to consider said Housing Element Amendment No. 85-1; and

At said hearing all persons desiring to be heard on such amendment were heard,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntington Beach, pursuant to Title 7, Division 1, Chapter 3, Article 6 of the California Government Code, commencing with section 65350, that Housing Element Amendment No. 85-1 to the city's General Plan, attached hereto and incorporated herein by this reference, is hereby approved.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the 16th day of December, 1985.

Robert Mandin Jr.
Mayor

ATTEST:
ALICIA M. WENTWORTH, CITY CLERK

By: Alicia M. Wentworth
Deputy City Clerk

REVIEWED AND APPROVED:

Charles H. Thompson
City Administrator

ahb; 11/18/85
1035L/3849

APPROVED AS TO FORM:

Gail Sutton
11-21-85 City Attorney

INITIATED AND APPROVED:

James S. Polk
Director of Development Services

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss:
CITY OF HUNTINGTON BEACH)

I, ALICIA M. WENTWORTH, the duly elected, qualified City Clerk of the City of Huntington Beach, and ex-officio Clerk of the City Council of said City, do hereby certify that the whole number of members of the City Council of the City of Huntington Beach is seven; that the foregoing resolution was passed and adopted by the affirmative vote of more than a majority of all the members of said City Council at a regular _____ meeting thereof held on the 16th day of December, 1985, by the following vote:

AYES: Councilmen:

Kelly, MacAllister, Finley, Mandic, Bailey, Green

NOES: Councilmen:

None

ABSENT: Councilmen:

Thomas (out of room)

Alicia M. Wentworth

City Clerk and ex-officio Clerk
of the City Council of the City
of Huntington Beach, California

RESOLUTION NO. 5405

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON BEACH ADOPTING HOUSING ELEMENT AMENDMENT NO. 84-1 TO CITY'S GENERAL PLAN

WHEREAS, the City Council of the City of Huntington Beach desires to update and refine the General Plan in keeping with changing community needs and objectives; and

A public hearing on adoption of Housing Element Amendment No. 84-1 to the General Plan was held by the Planning Commission on June 5, 1984, and its Resolution No. 1323 recommending adoption to the City Council was passed on June 19, 1984; and

California Government Code section 65586 requires that the city conform its Housing Element to meet the provisions of Title 7, Division 1, Chapter 3, Article 10.6, commencing with sections 65580 et seq. by July 1, 1984; and

The City Council, after giving notice as prescribed by law, held at least one public hearing to consider said Housing Element Amendment No. 84-1; and

At said hearing all persons desiring to be heard on such amendment were heard,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntington Beach, pursuant to Title 7, Division 1, Chapter 3, Article 6 of the California Government Code, commencing with section 65350, that Housing Element Amendment No. 84-1 to the city's General Plan is hereby adopted.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the 2nd

day of July, 1984.

Jack Kelly

Mayor

ATTEST:

Alicia M. Wentworth
City Clerk

REVIEWED AND APPROVED:

Jen L. Chenelle
for City Administrator

APPROVED AS TO FORM:

Gail Sutton

City Attorney

INITIATED AND APPROVED:

James E. Daley

Director of Development
Services

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss:
CITY OF HUNTINGTON BEACH)

I, ALICIA M. WENTWORTH, the duly elected, qualified City Clerk of the City of Huntington Beach, and ex-officio Clerk of the City Council of said City, do hereby certify that the whole number of members of the City Council of the City of Huntington Beach is seven; that the foregoing resolution was passed and adopted by the affirmative vote of more than a majority of all the members of said City Council at a regular _____ meeting thereof held on the 2nd day of July, 1984, by the following vote:

AYES: Councilmen:

Pattinson, MacAllister, Kelly, Finley, Bailey, Mandic

NOES: Councilmen:

None

ABSENT: Councilmen:

Thomas

Alicia M. Wentworth

City Clerk and ex-officio Clerk
of the City Council of the City
of Huntington Beach, California

The foregoing instrument is a correct
copy of the original on file in this office.

Attest July 5 1984
ALICIA M. WENTWORTH

City Clerk and Ex-officio Clerk of the City
Council of the City of Huntington Beach,
Cal.

By Betty J. Date Deputy

HOUSING ELEMENT
TABLE OF CONTENTS

1.	INTRODUCTION	1
1.1	State Policy and Authorization	1
1.2	Organization of the Housing Element	2
1.3	Relationship of the Housing Element to Other General Plan Elements	3
1.4	Public Participation	5
2.	COMMUNITY PROFILE AND HOUSING CHARACTERISTICS	9
2.1	Housing Characteristics	9
2.2	Population and Household Characteristics	18
2.3	Sites for Housing	20
3.	HOUSING PROBLEMS AND NEEDS	23
3.1	Immediate Housing Needs	24
3.2	Prospective Housing Needs	33
4.	HOUSING CONSTRAINTS	37
4.1	Market Constraints	37
4.2	Governmental Constraints	41
4.3	Regional Relationships	47
5.	ENERGY CONSERVATION	53
5.1	Building Conservation Standards	53
5.2	Retrofitting	54
5.3	Active Solar Energy Conservation	56
5.4	Land Use Controls	57
6.	PRESENT HOUSING PROGRAMS	61
6.1	New Construction	61
6.2	Assistance to Existing Units	63
6.3	Removal of Governmental Constraints	66
6.4	Orange County Fair Housing Council	67
6.5	Needs Addressed by Present Programs	67
6.6	Numerical Goals for Housing	67
6.7	Evaluation of Housing Opportunities Under the 1979 Housing Element	68
7.	HOUSING IN THE COASTAL ZONE	71
7.1	Background	71
7.2	Coastal Zone Activity	73

8.	GOALS, POLICIES, AND PROGRAMS	75
8.1	Accessibility	76
8.2	Adequate Provision	78
8.3	Standards and Plans for Adequate Sites	82
8.4	Preserving Housing and Neighborhoods	84
8.5	Preserving Affordability	87
8.6	Energy Conservation	89
APPENDICES		91
A.	Definitions	91
B.	Housing Assistance Plan Tables	95

FIGURES

Figure Number		Page
2-1	Housing Units by Census Tract	11
2-2	Housing Tenure	14
2-3	Vacancy Rates by Census Tract	16
4-1	Flood Insurance Rate Map	50
5-1	A Common Type of Passive Solar Housing	55
5-2	An Active Solar System	55

TABLES

Table Number

2-1	Number of Housing Units	10
2-2	Vacant Acreage and Probable Development	22
3-1	Income and Affordable Housing Payment Limits	25
3-2	Sales Prices of Affordable Housing	26
3-3	Employment Projections for Huntington Beach	35
4-1	Monthly Mortgage Payments (Principal and Interest) - 30 Year Amortization	40
4-2	Processing Time and Fees	45
4-3	Comparison of Development Processing Time in Months	46
4-4	Permit Processing and Development Fees in Huntington Beach	48
4-5	Comparison of Planning and Permit Fees	49
6-1	Current Assisted Housing and Housing Met by Current City Programs	62

1 Introduction

1.0 INTRODUCTION

The Housing Element is intended to direct residential development and preservation in a way that coincides with the overall economic and social values of the community. The residential character of a city is largely dependent on the type and quality of its dwelling units, their location, and such factors as maintenance and neighborhood amenities. The Housing Element is an official municipal response to a growing awareness of the need to provide housing for all economic segments of the community, as well as recent legal requirements that housing policy be made a part of the planning process. As such, the Element establishes policies that will guide City officials in daily decision making and sets forth an action program designed to enable the City to realize its housing goals.

1.1 State Policy and Authorization

The California State Legislature has identified the attainment of a decent home and a satisfying environment for every Californian as a goal of the highest priority. Recognizing that local planning programs play a significant role in the pursuit of this goal, and to assure that local planning effectively implements statewide housing policy, the Legislature has mandated that all cities and counties include a housing element as part of their adopted local general plans. Section 65302(c) of the Government Code requires the preparation of a housing element as provided in Article 10.6 (commencing with Section 65580).

Article 10.6 was added to the Government Code in 1980 and incorporates into law the Housing Element Guidelines promulgated by the California Department of Housing and Community Development (HCD). The original Housing Element Guidelines were adopted on June 17, 1971, and revised guidelines were adopted on November 17, 1977.

The Government Code specifies the intent of the Legislature to insure that counties and cities actively participate in attaining the state housing goal, and sets forth specific components to be contained in a housing element. These include the identification and analysis of existing and projected housing needs, resources and constraints; a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement and development of housing; identification of adequate sites for housing; and adequate provision for the existing and projected needs of all economic segments of the community. By law, the Housing Element must be revised at least every five years, with the first revision to be accomplished by July 1, 1984.

1.2 Organization of the Housing Element

The Housing Element Guidelines require elements to include two basic components:

- (1) An evaluation of the housing problem and an analysis of housing needs, indicating the capacity of the existing housing supply to provide all economic segments of the community with decent housing.
- (2) A housing program, consisting of two parts:
 - (a) A comprehensive problem solving strategy establishing local housing goals, policies, and priorities aimed at alleviating unmet need and remedying the housing problem, and;
 - (b) A course of action which includes a specific description of the actions the locality is undertaking and intends to undertake to effectuate these goals, policies, and priorities.

The Housing Element will delineate the City's housing problem and set forth a program of action in accordance with the law. This section defines the intent of the Housing Element, describes its relationship to State directives and other general plan elements and includes a description of the public participation and intergovernmental coordination utilized in its preparation. Section 2 presents an overview of the City's housing and population characteristics to acquaint the reader with Huntington Beach and provide a background for the sections that follow. Section 3 identifies the needs of various segments of the community and quantifies them, including the City's estimate of additional responsibility for regional needs which should be addressed.

Section 4 will examine the market and governmental constraints to meeting the identified housing needs and will address coordination with the efforts and adopted elements of other local jurisdictions. Section 5 inventories some strategies for energy conservation in housing. Section 6 describes current housing programs and how they relate to previously identified needs. This section will include an evaluation of the effectiveness of the last Housing Element in achieving the City's housing goals and objectives. Section 7 will discuss housing in the coastal zone. Section 8 sets forth goals and policies and discusses the programs which the City proposes to undertake in order to ameliorate existing inequities and promote a vigorous and well-balanced housing plan for the community.

1.3 Relationship of the Housing Element to other General Plan Elements

The California Government Code requires that general plans contain an integrated, internally consistent set of policies. When any one element of the general plan is revised, and especially when new policies and priorities are proposed, the other elements must be reviewed to ensure that internal consistency is maintained. This section examines the relationship of the Housing Element and its policies to the other elements of Huntington Beach's General Plan.

Land Use

The Housing Element is most affected by development policies contained in the Land Use Element, which establishes the location, type, intensity, and distribution of land uses throughout the city. In designating the total acreage and density of residential development, the Land Use Element places an upper limit on the number and types of housing units constructed in the city. The acreage designated for industrial, commercial, and office professional uses creates employment opportunities; the presence of these jobs affects the demand for housing in the city.

Ongoing modeling of the fiscal impacts associated with various land use types and proposed developments may warrant a reconsideration of the distribution of land uses throughout the city, especially in light of the Jarvis and Gann tax initiatives. Early indications reveal that there may be significant policy conflicts between providing a sufficient number and range of housing types and maintaining a balanced local economy and an adequate level of municipal services. The adopted policies and priorities of both the Housing and Land Use Elements must be carefully balanced to maintain internal consistency in the General Plan.

Open Space and Conservation

Policies contained in the Open Space and Conservation Element call for the preservation and protection of the city's natural environment through the conservation of significant open space areas, acquisition of land for recreation and parks, and restricted

development in hazardous areas and areas utilized for the production of natural resources. These policies affect both the amount of land available for housing by designating permanent open space areas and the cost of housing by requiring land dedication and/or development fees for the acquisition and maintenance of public open space areas.

Circulation

The Circulation Element calls for the development of a system of arterial highways that safely and efficiently accommodates traffic generated by adopted land uses. At the same time, the element seeks to minimize the adverse environmental and aesthetic effects of the road network and traffic on sensitive land uses such as residential areas. By providing for a convenient public transportation system and a network of bicycle, pedestrian, and equestrian trails, the Circulation Element attempts to create a satisfying living environment for residents of Huntington Beach. The cost of producing new housing is affected by the City's street design standards and arterial dedication requirements.

Noise

The Noise Element contains policies aimed at reducing the impacts of urban noise on residents, workers, and students in the city. Sources of noise include freeway and arterial traffic, construction and oil-related machinery, and aircraft. Residential development in areas with high noise impacts is discouraged unless adequate noise attenuation features are included. Special construction methods or increased landscaping to reduce noise impacts create a more satisfying living environment but also add to the cost of housing.

Seismic Safety

The Seismic Safety Element identifies geologic and flood hazards in the city. Although development within identified hazard areas is not prohibited altogether, special construction techniques are required to ensure that structures will remain safe in the event of a disaster. Unstable soil conditions in certain areas of the city require additional grading, fill, and compaction before development is allowed. In addition to the extensive fault system that underlies Huntington Beach, the majority of the city is located within the floodplain of the Santa Ana River. The National Flood Insurance Act of 1968 requires affected localities to adopt a program of floodplain management to prevent loss of life and property in the event of a major flood. Provisions of this program range from prohibiting development in severe hazard areas and requiring modification of structures or special construction practices to securing bonds for the construction, improvement, and maintenance of flood control and drainage facilities. All of these actions add to the cost of housing in the city; however, they are required if the City is to provide an acceptable level of public safety.

Scenic Highways

The Scenic Highways Element establishes local scenic routes and landscape corridors along several arterial highways in the city. The intent of these designations is to establish and maintain aesthetic visual resources along major transportation routes, implemented through landscaping programs, grading, development, and signing controls, utility undergrounding, and architectural review. While the scenic highways program enhances the living environment, the costs to the City and private developers to implement the program is eventually reflected in increased housing costs.

Community Facilities

The Community Facilities Element provides direction for the provision of community facilities needed to serve existing and proposed development in the City in a coordinated and cost efficient manner. The element contains pertinent data regarding the status of the City's major capital facilities. Community facilities, particularly those related to health and safety, are a prerequisite to any new development. The availability and condition of existing community facilities may impact the provision of housing, especially affordably housing, since necessary infrastructure improvements will increase housing costs. By directing the location and timing of new capital facilities, the City can affect the availability of sites for new housing. By investing public money in existing neighborhoods, the City may help stabilize and revitalize them, thus preserving and upgrading the available housing stock.

Coastal

The Coastal Element contains the land use designations and policies adopted by the City to implement the California Coastal Act of 1976. The Coastal Element, which is the Land Use Plan portion of the City's Local Coastal Program, has been certified in geographic part by the California Coastal Commission. Although the provision of affordable housing is no longer required under the Coastal Act, the Land Use Plan itself may affect the cost and desirability of housing within the entire City. Low and moderate income housing within the coastal zone is currently addressed by Section 65590 of the Government Code. Section 6 of this document discusses the housing stock within the Huntington Beach Coastal Zone and recent housing developments under Section 65590.

1.4 Public Participation

Section 65583(c)(5) of the Government Code states that "The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort". The City of Huntington Beach has maintained an ongoing interest in and concern about housing issues over the past years. The City has initiated a number of programs to encourage the

provision of housing for all economic segments of the community and has supported the efforts of the private sector to do the same. This section will describe past efforts in this direction as well as public involvement in the revision of this document.

1.4.1 Housing Committee

The Housing Committee was appointed by the City Council on May 17, 1982. It consisted of two City Council members, two Planning Commissioners and a representative of the public. The Committee met regularly over a period of a year to consider various housing issues confronting the City, and to advise the City Council on a course of action. The Committee made recommendations to the Council on 1) a policy for implementing replacement and affordable housing requirements in the coastal zone, 2) adoption of an ordinance permitting second units in single family residential districts and 3) adoption of a set of policies for a City-wide housing strategy. The Council eventually approved all but the first program.

1.4.2 Huntington Beach-Fountain Valley Board of Realtors Joint Housing Study Committee

On July 8, 1981, the Mayor of Huntington Beach and the President of the Huntington Beach-Fountain Valley Board of Realtors established a Joint Housing Study Committee to study the housing situation and to develop public policy that would assist the City in planning to meet the needs of its citizens. The Committee was charged with studying 1) alternate methods of meeting housing needs, 2) community attitudes which help or hinder the provision of housing, 3) special housing needs within the community for senior citizens, low and moderate income families, rental units, and neighborhood revitalization, 4) how to reduce the cost of housing, 5) provision of lower interest rate mortgages and 6) public education.

The Committee was composed of twenty-nine members representing a cross-section of the community. Members included public employees, realtors, builders, architects, homeowners, attorneys, mobile home owners, apartment house owners, senior citizens, bankers, land owners, and other interested citizens. The membership was divided into four working committees: Public Awareness, Residential Housing Cost Reduction; Residential Housing Survey, and Land Study. Each committee met during the month to discuss, develop and evaluate proposals in its specific area and arrive at recommendations. The full committee met monthly to hear recommendations from the subcommittees.

The Joint Housing Study Committee conducted many months of spirited deliberations, which culminated in a public hearing on October 21, 1982, to obtain input from various concerned groups and interested parties. The recommendations and findings which resulted from the Committee's work were incorporated into a Final Report which was presented in November of 1982. Information from that report was used in the preparation of this revised Housing Element.

1.4.3 Public Meeting

1.4.4 Public Hearings

The adoption of any General Plan Element or amendment requires by law that two public hearings be held; one before the Planning Commission approval and recommendation and one before the City Council adoption. Notice of these public hearings is posted in three public places in the City, and published in a newspaper of general circulation. At the public hearings, all persons who wish to do so may address the Planning Commission or City Council and give their views about the element under consideration. Any written communications from the public regarding an element are presented to the Planning Commission or City Council at the meeting at which the public hearing will take place. In this way, maximum public participation in the decision is encouraged.

2 Community Profile And Housing Characteristics

2.0 COMMUNITY PROFILE AND HOUSING CHARACTERISTICS

A primary task of the Housing Element involves an evaluation of housing problems and needs in Huntington Beach. Housing needs exist to the extent that the present housing supply falls short of providing all economic segments of the community with decent housing. This section presents an overview of the existing housing supply in the City of Huntington Beach, including an inventory of the number and types of dwelling units, age and condition of units, tenure, vacancy rates, housing costs, and household and population characteristics. The identification of the various supply and demand characteristics of the local housing market will provide a basis for assessing housing needs in Huntington Beach.

2.1 Housing Characteristics

2.1.1 Housing Types and Growth

As of January 1, 1984, the City of Huntington Beach had a total of 66,335 housing units. This is an increase of 4 percent over the 1980 census total of 63,686 units. In the ten years between 1970 and 1980, the City's number of housing units increased by 77 percent (27,585 units). Huntington Beach has experienced tremendous growth in the housing supply for over the past 20 years; however, since 1981, the annual increase has slowed to a fraction of what it was in the 60's and 70's (see Table 2-1 and Figure 2-1). The City's 63,686 housing units represent approximately 8.8 percent of Orange County's 721,514 units in 1980.

TABLE 2-1
NUMBER OF HOUSING UNITS

<u>Year</u>	<u>Single Family</u>	<u>2-4 Units</u>	<u>5 + Units</u>	<u>Mobile Homes</u>	<u>Total</u>
1960+	3,891	-----539-----		170	4,600
1970+	26,689	----7,469----		1,813	35,971
1973+	32,538	5,219	8,276	3,150	49,183
1976•	35,318	6,531	8,729	3,149	53,727
1977•	36,693	7,195	9,374	3,296	56,558
1978•	38,306	8,130	10,134	3,320	59,890
1979+	33,003	10,663	15,320	3,265	62,251
1980+	38,644	8,639	13,606	2,667	63,556
1981•	39,871	8,699	13,762	2,712	65,044
1982•	40,213	8,746	13,849	2,713	65,521
1983•	40,726	8,760	13,904	2,712	66,102
1984•	40,927	8,779	13,914	2,715	66,335

1979 Single Family total is lower because condominiums are no longer counted as single family units; rather, they appear in the multiple unit categories.

+ Source: Federal and Special Censuses

• Huntington Beach Department of Development Services Estimates

Revised 1984



HUNTINGTON BEACH CALIFORNIA
PLANNING DIVISION

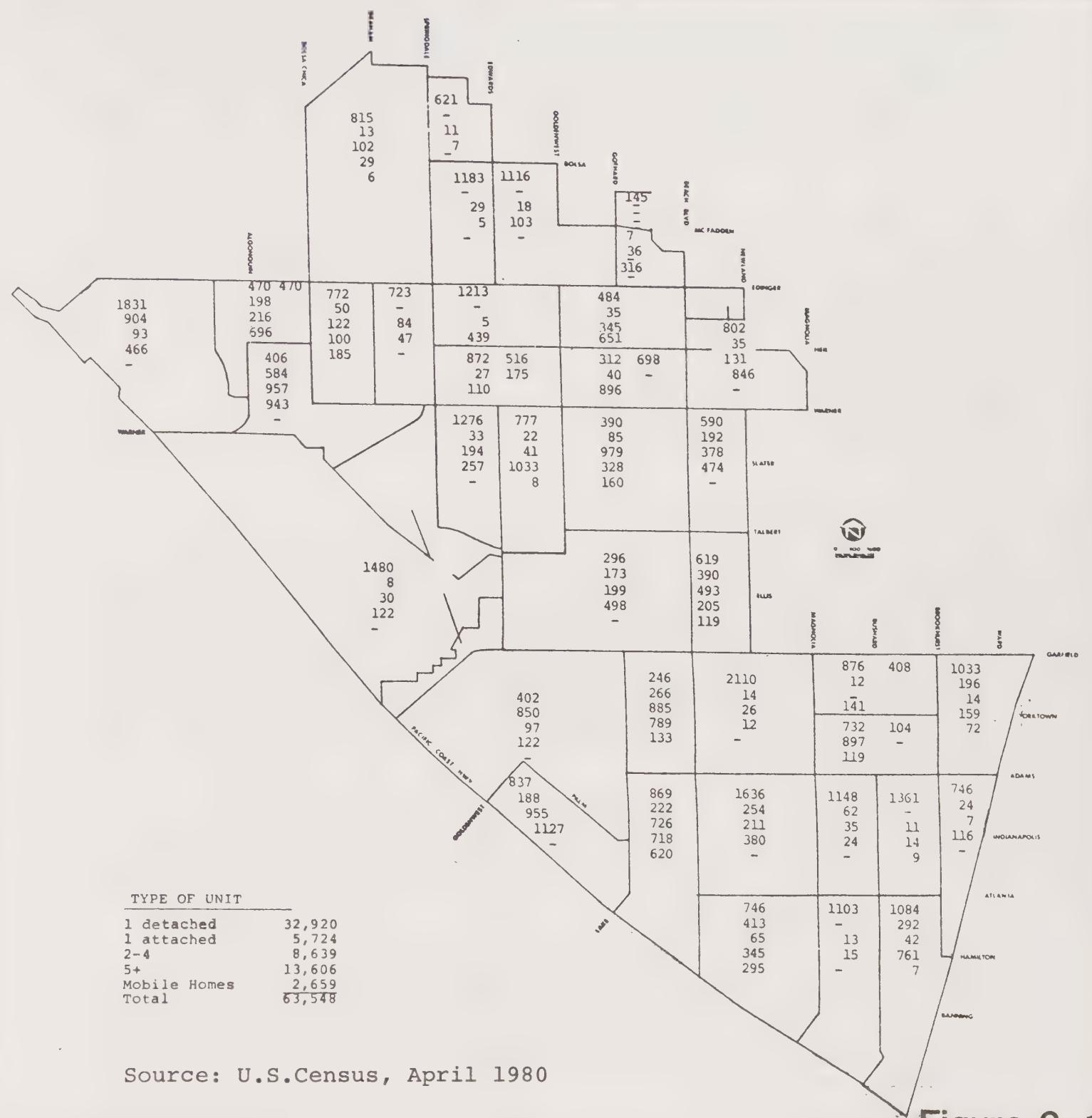


Figure 2-1

Revised 1984



HUNTINGTON BEACH CALIFORNIA
PLANNING DIVISION

HOUSING UNITS BY CENSUS TRACT

A variety of housing types can be found in Huntington Beach. Detached single family dwellings constitute 52 percent of the City's housing stock, condominiums and small multiple family units (2-9 units per structure) account for 17 percent, large apartment complexes (10+ units per structure) account for 12 percent, and mobile homes make up the remaining 4 percent. The location of the various types of housing units within the city is mapped in Figure 2-1.

During the sixties, vacant land was plentiful in Huntington Beach, and housing construction was characterized almost exclusively by large tracts of single family homes. During the early seventies, planned condominium developments and small multi-family rental units became popular in response to changing housing demands, land constraints, and market conditions. Current housing growth is characterized largely by multi-family structures and by some single family dwellings. In 1982, only 209 units were authorized by building permits, as compared to 750 in 1981. Of these, 73 were single family and the remaining 136 units were multi-family dwellings. This represents a dramatic drop in the rate of housing supply increase. It constitutes a -72 percent change from 1981 to 1982.

2.1.2 Age and Condition of Structures

The majority of housing units in Huntington Beach are relatively new and in good structural condition. The table below indicates the relative age of the City's housing stock. The good condition of the housing supply can be partially attributed to the large number of planned subdivisions in addition to the relatively young age of these tracts. At the present time, less than 10 percent of the City's housing units are over 25 years old; however, in ten years, nearly half of the housing supply will be over 25 years old. The percentage of housing units potentially needing rehabilitation will increase over time.

AGE OF HOUSING UNITS

<u>Age</u>	<u>Number</u>	<u>Percent of Total</u>
0 - 5 Years Old	4,084	6%
5 - 10 Years Old	10,950	17%
10 - 15 Years Old	17,525	26%
15 - 20 Years Old	12,755	19%
20 - 25 Years Old	15,560	24%
Over 25 Years Old	5,461	8%
TOTAL	62,251	100%

Source: Huntington Beach Department of Development Services.

The provision of structurally sound units is a major concern in addressing state and regional housing goals. An important indicator of the condition of the existing housing supply is the number of structurally substandard units and units needing rehabilitation or replacement. According to estimates for the Housing Assistance Plan (1983), there are 1,280 substandard units in the City, or 2.0 percent of the total housing supply. Over half of the substandard units are suitable for rehabilitation.

HOUSING STOCK CONDITIONS

Substandard Units		Substandard -Units Suitable For Rehabilitation	
		Occupied	Vacant
Owner	549	10	378
Renter	<u>704</u>	<u>17</u>	<u>325</u>
TOTAL	1,253	27	703
			21

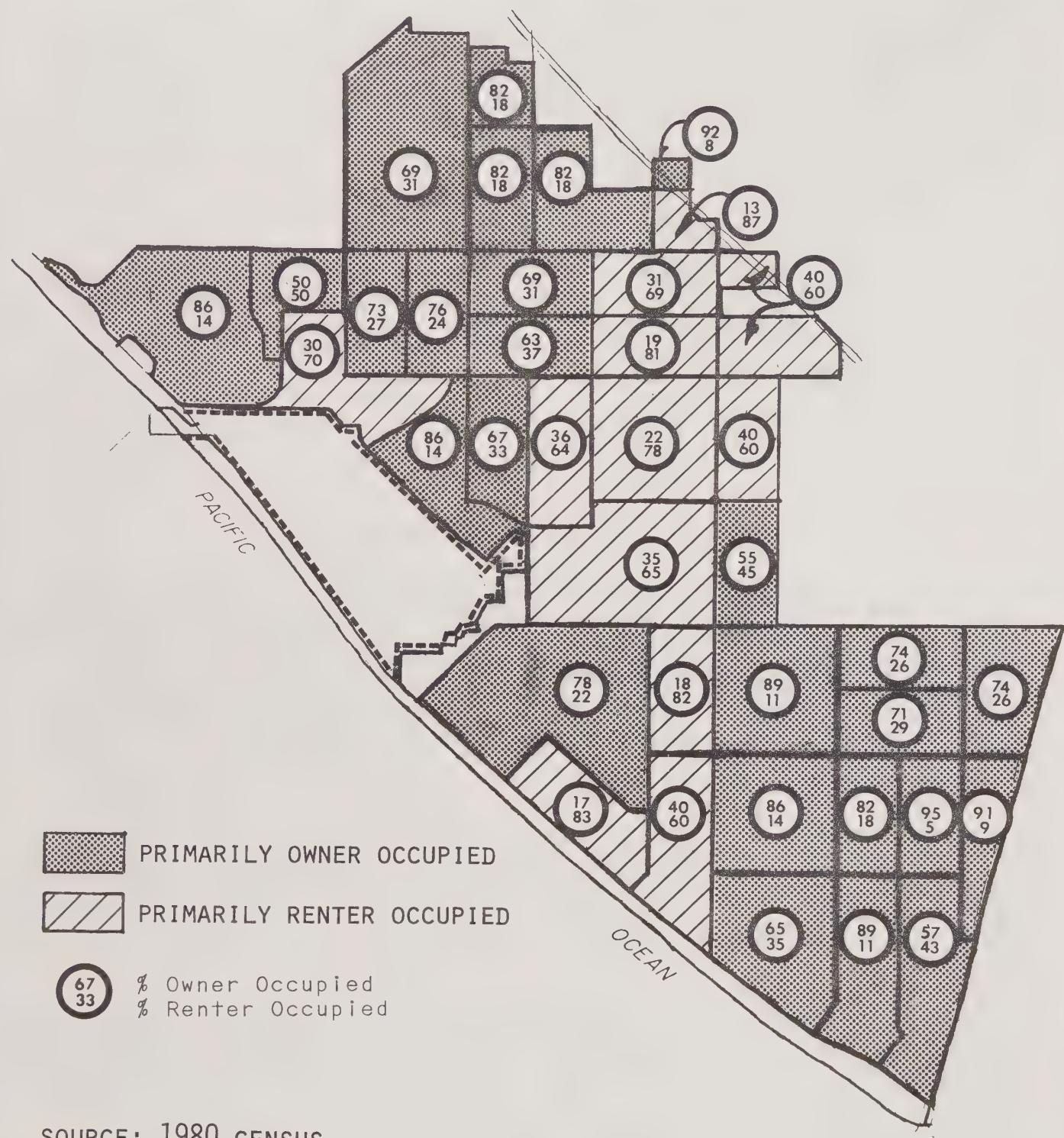
Source: Housing Assistance Plan 1983-84

An HCD-funded Community Analysis Report conducted in 1977 indicates that the majority of housing units needing rehabilitation tend to be concentrated within two or three areas of the City, particularly the Downtown and Oldtown areas. These estimates will be useful in formulating and guiding rehabilitation and/or potential redevelopment programs. A more detailed discussion of substandard units appears in Section 3.1.6 of the Housing Element.

2.1.3 Housing Tenure

Another characteristic of the City's housing stock is the mix and distribution of owner-occupied and renter-occupied units. The 1980 census reveals that approximately 58 percent of occupied units are owner-occupied and 42 percent are renter-occupied. The distribution of owner- and renter-occupied units by census tract is shown in Figure 2-2.

The ratio of owner-occupied to renter-occupied units in Huntington Beach has been declining steadily since 1970, at which time the mix was 71 percent to 29 percent. In 1976, this ratio was estimated to be 65 percent to 35 percent. Several factors contribute to this shift: increased construction of multiple family units, increased mobility of households, rapidly escalating home values, higher interest rates and speculation.



SOURCE: 1980 CENSUS

Figure 2-2

Revised 1984



HUNTINGTON BEACH CALIFORNIA
PLANNING DIVISION

HOUSING TENURE

2.1.4 Vacancy

The vacancy rate within a given housing market is a valuable indicator of the availability of housing. In an ideal market, some number of housing units should remain vacant to allow adequate selection opportunities for households seeking new residences. Additionally, these vacant units should be evenly distributed across various housing types, sizes, price ranges, and locations within the City. While a certain minimum vacancy rate is desirable, too high a vacancy rate may indicate serious imbalances in the forces of supply and demand in the housing market.

The 1980 census reveals an overall vacancy rate of 3.9 percent (2,464 units) for all units within the City of Huntington Beach. The percentage of vacant housing units by census tract is shown in Figure 2-3. The table below shows the total number of vacant units and those vacant units available for rent in 1982 by housing type:

VACANT HOUSING UNITS

	Total Units	Vacant Units	% Vacant	Under Construction
Single Family Units	35,147	312	.9	40
Multiple Family Units	28,197	968	3.4	78
Mobile Homes	2,990	43	1.4	---
All Housing Units	66,334	1,323	2.0	118

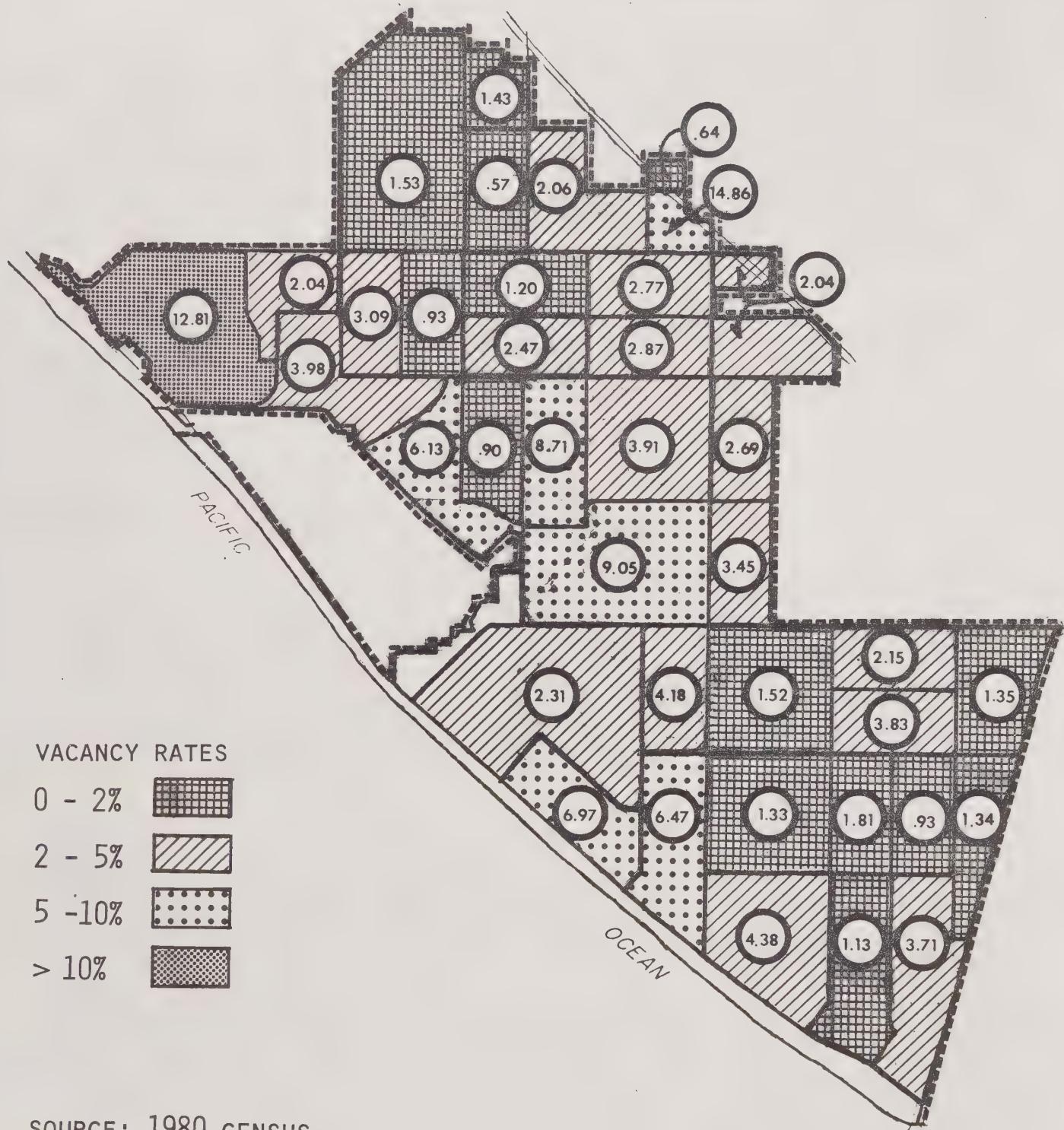
Source: Annual Planning Information for the Anaheim-Santa Ana-Garden Grove Standard Metropolitan Statistical Area 1982-83

2.1.5 Housing Costs

The cost of housing in Huntington Beach and in Orange County in general is probably the most pervasive problem to be addressed in this Housing Element. During the City's rapid growth period in the sixties, Huntington Beach provided some of the least expensive housing opportunities in Southern California, with new home prices ranging from \$15,000 - \$40,000. In the early seventies, as Huntington Beach and central Orange County began to become more urbanized, the supply of new homes could not match the still growing demand for housing in the County created by tremendous commercial and industrial growth. These and other factors led to the rapid acceleration of property values and housing costs which now characterize the Orange County housing market.

The average sales price in 1983, by number of bedrooms (excluding the Huntington Harbour area), was as follows:

Bedrooms:	2	3	4	More than 4
Number Sold:	52	478	257	43
Average Price:	\$97,893	\$131,147	\$157,550	\$181,251



SOURCE: 1980 CENSUS

Revised 1984

Figure 2-3

VACANCY BY CENSUS TRACT



HUNTINGTON BEACH CALIFORNIA
PLANNING DIVISION

An assessment of housing costs in Huntington Beach must consider two components: the purchase price of new and resale homes, and monthly payments for rental units. According to a survey done by the Construction Industry Research Board, new homes sold in Orange County in 1983 were significantly lower in price than the 1982 sales. That decline is attributed to a decline in unit size. Average square footage of living area declined 7.3 percent (from 1,780 to 1,650), while the average price declined 4.2 percent (from \$171,200 to \$164,000). The following table illustrates the cost by size and type of structure:

ORANGE COUNTY NEW HOME SALES

	<u>% of Sales By Type</u>	<u>Average Price</u>	<u>Average Bedrooms</u>	<u>Average Living Area</u>	<u>Price Per Sq. Foot</u>
All Sales	100%	\$164,000	2.59	1,650	\$99.40
S.F. De- tached	45.0%	205,900	3.36	2,188	94.10
Townhouse	21.6%	140,600	2.07	1,267	111.00
Row House	18.2%	152,100	2.18	1,405	108.30
High Rise	0.1%	112,000	2.00	962	116.40
Flat	10.6%	79,200	1.55	852	93.00
Garden	2.7%	92,100	1.38	771	119.40
Zero Lot Line	1.8%	220,700	2.79	2,149	102.70

Source: Construction Industry Research Board

1983 saw the virtual disappearance of homes priced below \$50,000. Sales of new homes costing less than \$70,000 accounted for under 8 percent of 1983 sales in Orange County. Historically, median home prices in Huntington Beach have been slightly higher than Orange County median figures, but general City trends have been consistent with those of the County.

The Huntington Beach/Fountain Valley Board of Realtors estimated the average resale price of a single family home to be \$142,163 at the beginning of 1984. The average sales price of a condominium/townhouse was \$115,449. For mobile homes, the average sales price was \$47,508.

The 1980 census included questions concerning mortgage and rent payments for residents of Huntington Beach. The census results indicated that the median mortgage payment including taxes for owner-occupied households in the City was \$523 per month. Approximately 53 percent of responding households had mortgage payments in excess of \$500 per month, with 25 percent paying over \$750 per month. About 22 percent of the households responding had mortgage payments of less than \$300 per month. These households most likely represent long term residents who purchased their homes between 10 and 20 years ago, prior to the acceleration of real estate values that characterize current market conditions.

The median payment for renter-occupied units in Huntington Beach in 1980 was reported at \$364 per month. Twelve percent of the respondents had payments greater than \$500 per month, with less than two percent paying under \$150 per month. The largest category of responses to the rent question was in the range of \$300 to \$399 per month (44 percent of all responses). Rents have increased rapidly since 1980, however. According to a local realtor, common rents in 1984 range from \$400 - \$525 for a one bedroom unit, \$575 - \$625 for a two bedroom unit, and \$600 - \$750 for a three bedroom unit. An average range for single family homes is \$800 - \$1,100. Mobile home parks generally offer the least expensive rent payments in the City, but spaces in them are seldom available.

While rent costs have risen considerably since 1981, construction costs and housing resale costs have remained relatively stable. This fact, combined with recent tax incentives for the owners of rental property, have caused an influx of rental units into the market. The response to these market forces by investors should eventually result in an increase in the rental housing supply and increased choices for housing consumers. A discussion of housing costs in terms of affordability to prospective residents is presented in Section 3.1.1.

2.2 Population and Household Characteristics

2.2.1 Population

The 1980 census established a new population of 170,505 for the City of Huntington Beach. This figure represents an increase of 20 percent from the 1973 special census population of 143,325 and a 47 percent increase since 1970. The rate of population growth, like housing, peaked in the early sixties and now averages about 3 percent annually. In terms of total population, the City of Huntington Beach represents 8.8 percent of Orange County's 1,932,709 residents in 1980. The population of Huntington Beach in 1983 is estimated to be 178,706 by the State Department of Finance.

Huntington Beach is a predominantly white community, with Caucasians constituting approximately 90.4 percent of the total population. Asians and Pacific Islanders account for 4.9 percent, and Blacks 0.7 percent. Mexican Americans and others of Spanish origin represent the largest minority ethnic group, comprising 7.9 percent of the total population.

The 1980 census data reveals that, in terms of age, Huntington Beach is becoming an older, more stable community. This can be attributed to a decline in the influx of large families, a general downward trend in average household size, and the aging process. Since 1973, the citywide median age has jumped from 26 to 28.8. The most significant change has occurred in the population under 18 years of age. In 1970, this group accounted for 40 percent of the total city population; by 1973, it had dropped to 36 percent; and in 1980 this group represented 28 percent of the population of Huntington Beach.

At the county level, where the median age is 29.5, the under-18 group represents 27 percent of the total population. Senior citizens, persons 65 years of age or more, have also shown a steady increase since 1970 and now comprise 5.9 percent of the total population of Huntington Beach.

2.2.2 Households

As of 1980, there were 61,126 occupied housing units in the City with an average of 2.78 persons per household. Household density is highest for detached single family dwellings and lowest for mobile homes, as the following table indicates:

Year-Round

<u>Housing Type</u>	<u>Year-Round Housing Units</u>	<u>Occupied Units</u>	<u>Persons In Units</u>	<u>Population/Household</u>
1 Unit, Detached	32,920	32,142	107,598	3.35
1 Unit, Attached	5,724	5,269	11,883	2.26
2 Units	748	721	1,717	2.38
3-4 Units	7,891	7,664	18,983	2.48
5 or More Units	13,606	12,779	25,209	1.97
Mobile Home	<u>2,667</u>	<u>2,551</u>	<u>4,318</u>	<u>1.69</u>
TOTAL	63,556	61,126	169,708	2.78

Source: Huntington Beach 1980 Census

The City's average household density is identical to that of Orange County as a whole and represents a continuing trend toward smaller households. In 1970 the City's average household size was 3.43, in 1973 this figure was 3.07 and in 1979, it was 2.81.

Over half of the City's 61,126 households are one and two person households. This statistic is interesting in light of the number of large single-family homes in the City. Only 12 percent of the households contain large families (5 or more persons). Of the total population, 145,108 persons (85 percent) live in family households while 24,874 live in non-family households. The remainder, 523 persons, are housed in group quarters.

The Southern California Association of Governments' SCAG '78 Growth Forecast Policy contains the following projections for Huntington Beach:

<u>Date</u>	<u>Dwelling Units</u>	<u>Population</u>
1985	72,700	178,600
1990	83,000	191,200
1995	88,600	205,400
2000	90,700	210,600

In 1982, SCAG published an updated version projecting slightly lower levels of population and number of dwelling units. They project 85,701 dwelling units in the Year 2000 down 4,999 units from the 1978 forecast. Population is projected at 206,405 down 4,195. Updated data for the years up to 2000 are not available in the SCAG 1982 projections for Huntington Beach.

The major component of population growth in Huntington Beach is new housing construction and the families that move into the new units. The Land Use Element of the City's General Plan designates a total of 11,470 acres for residential use in addition to the 433-acre Seacliff Planned Community. Table 2-2 identifies the amount of undeveloped acreage in each of the residential land use categories and the anticipated number of additional units that could be added to the existing housing stock.

Using these estimates, the City could be expected to support a total of 76,557 units (probable case) or 83,714 units (maximum case) at ultimate buildout based on the present General Plan Land Use Element. Although there is no specific date at which the City will attain its "built out" status, it appears that these figures fall short of both SCAG's and Orange County's projections for the year 1990 and beyond. Recycling and infilling may tend to increase the estimated housing growth projections, and it is possible that amendments to the General Plan could convert areas presently designated Planning Reserve and Resource Production to residential use or increase densities on existing residential areas.

2.3 Sites For Housing

A recent survey (October 1983) of vacant lands in Huntington Beach indicates that 11.37 percent of the total land area remains to be developed. Of this land, 824 acres are designated for residential use, according to the General Plan. Table 2-2 identifies the amount of undeveloped acreage in each of the residential land use categories and the anticipated number of additional units that could be added to the existing housing stock. The largest portion of undeveloped land is designated as Low Density (289 acres). There are nearly equal amounts of Estate and Medium Density, 236 acres and 230 acres, respectively.

All of the land designated for residential use in the low density, medium density and high density categories is presently served by sewer lines, water lines, streets, storm drains, telephone, electrical and gas lines. The estate residential lands are located in an area of the City to which the sewer and water lines and storm drains have not yet been extended. This lack of public facilities will make development of sites in this part of the City more expensive, since the developer must often put in the improvements and then wait for reimbursement until neighboring properties develop. The City is presently studying the estate residential area, and may develop a specific plan or other device to guide development there. Public

participation in a plan to provide infrastructure to the area could encourage earlier development. Any increase in the present density would also increase developers' interest in building there. However, because of its topographic and drainage features, the estate area presents special planning problems and must be carefully managed.

Using estimates in Table 2-2, the City could be expected to add a total of 9,573 units at ultimate buildout based on the General Plan Land Use Element. It is possible that amendments to the City's General Plan could convert some areas presently designated Industrial, Commercial or Public Quasi-public Institutional to residential use or possibly increase densities on certain existing residential areas. The areas which seem to be likely candidates for such amendments have been listed separately in Table 2-2. Adding the additional units from these areas to the above estimate brings the total to a maximum number of 13,296 additional housing units. Although there is no specific date when this point will be accomplished, it appears that these figures come close to SCAG's projections for the year 1990. Recycling and infilling may also tend to increase the estimated housing growth projections.

TABLE 2-2

VACANT ACREAGE AND PROBABLE DEVELOPMENT

<u>Land Use Category</u>	<u>Number of Vacant Acres</u>	<u>Density</u>	<u>Number of Units</u>
Estate 0-2	95	2	190
Estate 0-3	24	3	71
Estate 0-4	117	4	469
Low Density	289	7	2,024
Medium Density	231	15	3,464
High Density	68	35	2,364
Planned Community	<u>130</u>	7.6	<u>991</u>
	954		9,573

If General Plan Amended --

	<u>Numbers of Vacant Acres</u>	<u>Density</u>	<u>Total # Units</u>	<u>Units Added</u>
Holly Property Estate/Indust.				
General	120	10	1,200	800
Rotary Mud Dump Public, Quasi, Institutional	40	15	600	600
North of Seacliff Shop. Center Commercial	<u>21</u>	<u>25</u>	<u>525</u>	<u>525</u>
	181			1,925

If developed at a greater density --

Low Density Meadow-land Airport, Edison				
High Area	133	15	1,995	1,064
Estate	<u>190</u>	<u>7</u>	<u>1,330</u>	<u>734</u>
	323			1,798

Source: Huntington Beach Department of Development Services

13,296

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HUNTINGTON BEACH CALIFORNIA
PLANNING DIVISION

3 Housing Problems And Needs

3.0 HOUSING PROBLEMS AND NEEDS

In order to develop strategies and programs to ensure that all economic segments of the community are provided adequate housing opportunities, the community's housing needs and problems must be accurately assessed. The previous section presented an overview of the City's housing and population characteristics and discussed potential problem areas. This section attempts to quantify the City's housing needs to establish a basis for the formulation of housing goals, policies, and programs.

In accordance with the State guidelines, this section addresses two types of housing need. The first involves an assessment of immediate housing needs in terms of affordability, overcrowding, and suitability/habitability. In addition, the special needs of the elderly, handicapped, minorities, large households, and mobile home residents will be addressed. The second type of need to be analyzed is that of market rate housing over a five year period, taking into consideration anticipated housing, population, employment, and household growth.

The statistical information presented in this section is taken primarily from the 1980 Census Report and SCAG's Regional Housing Allocation Model (adopted April, 1977, updated April, 1983) and Housing Assistance Plan (updated October, 1983).

3.1 Immediate Housing Needs

3.1.1 Affordability

State housing policy recognizes that the cooperative participation of the private and public sectors is necessary to expand housing opportunities to all economic segments of the community. A primary goal is the provision of a decent home and a satisfying environment that is within the economic means of the households which occupy it. The private sector is generally responsive to the majority of a community's housing needs through the production of market rate housing. However, in certain areas where the housing supply is limited or demand is unusually high, housing opportunities are restricted, especially to households with low and moderate incomes.

The federal government defines lower income households as those earning less than 80 percent of the areawide median income, and moderate income households as those earning between 80 and 120 percent of the areawide median income, both adjusted for household size. The Department of Housing and Urban Development has established the figure of \$26,090 as the median income for a family of four in Orange County for 1980. Using this income figure, and making adjustments for household size, the 1980 census report reveals that approximately 31 percent (13,634 households) of all the households in the City of Huntington Beach have lower incomes, and 25 percent (11,319 households) have moderate incomes. The remaining 44 percent (18,884 households) are considered upper income households. These estimates are based on the Family Income categories within the 1980 Census Report. The present 1984 median income for Orange County is \$35,823 as determined by the Center for Economic Research at Chapman College. The Orange County Housing Authority uses this current median income figure to identify those individuals who may qualify for affordable housing.

Based on the 1980 census data, for nearly a third of the households in Huntington Beach identified as having lower incomes, affordability of housing, and especially new housing, is a major concern. The provision of adequate housing opportunities for lower and moderate income households has been identified as the major component of housing need in the Southern California region, and is one of the primary needs to be addressed in this Housing Element. The following criteria are utilized to determine the extent of the affordability problem in Huntington Beach:

1. For lower and moderate income households, housing is considered affordable if the rent payment does not exceed 30 percent of the household's income.
2. For lower and moderate income households, housing is considered affordable if the monthly mortgage payment does not exceed 33 percent of the household's income (see Tables 3-1 and 3-2).

TABLE 3-1
INCOME AND AFFORDABLE HOUSING PAYMENT LIMITS

<u>Income</u>	<u>30% Monthly Rent</u>	<u>33% Monthly Mortgage</u>
Very low income (Maximum \$17,912)	\$ 448.00	\$ 493.00
Low income (Maximum \$28,658)	716.00	788.00
Moderate income (Minimum \$42,988)	1,075.00	1,182.00

Source: Huntington Beach Department of Development Services, based on 1984 Orange County median income of \$35,823 as determined by the Center for Economic Research at Chapman College.

Revised 1984



HUNTINGTON BEACH CALIFORNIA
PLANNING DIVISION

TABLE 3-2
SALES PRICES OF AFFORDABLE HOUSING (1)

<u>Income Type</u>	<u>Income Maximum</u>	<u>Purchase Price</u>
Very low income(2)	\$17,912	\$44,780
Low income(3)	28,658	71,645
Moderate income(4)	42,988	107,470

(1) These prices are estimated on the basis of 2.5 times annual income, a rule of thumb often used by lenders. Actual monthly payments will vary considerably, depending on the amount of the down payment, the length of the loan period, and the interest rate of the loan.

(2) 50% of median county average income (\$35,823 in 1984).

(3) 80% of median county average income.

(4) 120% of median county average income.

Source: Huntington Beach Department of Development Services

Revised 1984



HUNTINGTON BEACH CALIFORNIA
 PLANNING DIVISION

While many households willingly choose to spend more than 30 or 33 percent of their incomes for mortgage or rent payments, those households with low and moderate incomes pay proportionately more for housing, consequently reducing income available for other necessities such as food, clothing, and transportation. The lack of decent affordable housing often leads to overcrowding, the continued occupancy of deteriorated units, and other related housing problems.

3.1.2 Lower Income Households Needing Housing Assistance

Estimates of the number of lower income households in need of housing assistance are taken from SCAG's Regional Housing Allocation Model (RHAM), recently updated in April, 1983 and the Housing Assistance Plan (HAP). Data from the HAP⁽¹⁾ is presented in a series of tables which have been included in Appendix B of the Housing Element.

SCAG estimates that there are a total of 9,442 lower income households presently residing in Huntington Beach in need of housing assistance. This number represents approximately 69 percent of all lower income households in the city. Of these households, 1,722 (18 percent) are owner occupied and 7,720 (82 percent) are renter occupied. Elderly and handicapped households account for 1,218 (15 percent) of the total and large families comprised another 1,029 (11 percent) of the 9,442 households needing assistance. Small families account for 7,195 (76 percent) of all lower income households needing assistance.

3.1.3 1980 Census Results

As part of the 1980 census, residents were asked to indicate their annual household income and monthly mortgage or rent payments. While the census responses differ slightly from SCAG's estimates, the data is outlined here for comparison and to present a more detailed breakdown of the affordability problem. The census results report that in 1980, approximately 10,700 lower income households, nearly 54 percent of all such households, were paying in excess of 30 percent of their income for housing. Renters accounted for approximately three-fourths of the lower income households facing affordability problems, and owners the remaining one-fourth.

(1) SCAG estimates of lower income households needing assistance, rather than independent local data, are preferred by the State HCD to facilitate comparison of jurisdictions throughout the region.

LOWER INCOME HOUSEHOLDS

Income Type	Total Households	Total Households Overpaying		Renters	Owners
		#	%		
Very low (Maximum \$13,045)	7,595	6,256	82%	5,136	1,120
Low (Maxi- mum \$20,872)	<u>12,204</u>	<u>4,461</u>	<u>37%</u>	<u>3,281</u>	<u>1,180</u>
TOTAL	19,799	10,717	54%	8,417	2,300

The problem of overpaying also affects moderate and upper income households in Huntington Beach, although the problem is much less severe for these groups. The following table presents 1980 census results for moderate and upper income households. Overpaying in this group affects more owners than renters, contrary to the results for lower income households.

MODERATE AND UPPER INCOME HOUSEHOLDS

Income Type	Total Households	Total Households Overpaying		Renters	Owners
		#	%		
Moderate/ Upper (In- come above \$20,872)	31,637	2,353	7%	93	2,260

3.1.4 Privacy and Overcrowding

The provision of housing which contains enough rooms to provide reasonable privacy for its occupants is also a goal of State housing policy. A reasonable privacy standard is the provision of at least as many rooms as there are persons in the household. According to HCD guidelines, overcrowding exists when the ratio of persons to rooms within the household exceeds 1.01 persons per room. Bathrooms, porches, halls, balconies, foyers, and half rooms are not counted in determining the ratio of persons to rooms.

The 1980 census reveals that 2,034 households in Huntington Beach currently experience some degree of overcrowding. Furthermore, 74 percent of these households are renter occupied.

3.1.5 Suitability and Habitability

Problems with suitability or habitability of housing refer to the number of households occupying dwelling units which are in need of rehabilitation or replacement. An unsuitable unit is defined as a housing unit which, in its present state, materially endangers the health, safety, or well-being of its occupants in one or more respects, and is either economically feasible to repair ("needing rehabilitation") or is not economically feasible to repair ("needing replacement").

Estimates of the number of unsound housing units were presented section 2.1.2. The City's 1983 Housing Assistance Plan estimates that a total of 1,253 substandard housing units currently exist in Huntington Beach (549 owner-occupied and 704 renter-occupied). Of these units, a total of 703 (378 owner-occupied and 325 renter-occupied) are considered suitable for rehabilitation. The remaining 550 units are considered as needing replacement. Together, units needing rehabilitation and replacement represent 1.9 percent of Huntington Beach's current total housing stock.

3.1.6 Special Needs

In addition to analyzing housing needs related to affordability, overcrowding, and suitability, State policy encourages localities to analyze the special housing needs of large families, minority households, the elderly, the handicapped, and others as the locality deems appropriate. Although SCAG's estimates of housing needs address these special groups, the following sections provide additional information which may be helpful in determining the scope and direction of the City's housing policies and programs.

3.1.6.1 Large Households

Large households with five or more persons number 7,328, or 12 percent of all households in Huntington Beach. According to the City's Housing Assistance Plan, a total of 1,066 lower income large family households need housing assistance due to overpaying. Large families can also encounter the problem of overcrowding. Overcrowding may occur as a result of couples and small families moving into the city, and over a period of years raising large families without moving into larger houses. Overcrowding also may occur when large families moving into Huntington Beach cannot find large enough homes at a price they can reasonably afford. In this case, increased overcrowding may be preferred to overpaying or living elsewhere.

3.1.6.2 Elderly Households

An estimated 10,258 elderly persons (65 years of age or older) currently reside in the City of Huntington Beach, or about 6 percent of the total city population. Many elderly households in the city are lower income households and, of these, SCAG estimates approximately 1,218 households are paying more than 30 percent of their income for housing. The City's mobile home parks provide reasonably affordable housing for elderly households, and many elderly may also be original residents of the Downtown and Oldtown areas who own their homes outright. Nonetheless, escalating housing costs, especially in the rental market, severely impact the elderly population, many of whom are on fixed incomes.

3.1.6.3 Handicapped Households

While certain handicapped individuals (those who are blind, deaf, or have nervous disabilities) may live comfortably without special housing accommodations, persons with ambulatory handicaps who require wheelchairs often need specially-designed, barrier free housing that is also affordable. In many cases, households have both elderly and handicapped members; these households deserve special attention. SCAG estimates 1,218 elderly and/or handicapped households in need of housing assistance.

3.1.6.4 Minority Households

According to the 1980 census, nonwhite minorities now comprise over 9 percent of the city's total population and 7 percent of all resident households. Of the 7 percent of households headed by minorities, Asian and Pacific Islanders account for 3.6 percent, Blacks 0.6 percent, Indian 0.6 percent and others 2.3 percent. Mexican American and others of Spanish origin represent the largest ethnic minority group, comprising 5.8 percent of all households.

Minority households, like other groups within the city, encounter income and housing payment problems. A special census done in 1979 by the City of Huntington Beach revealed that approximately one-third of all minority households earn lower incomes. The special census also indicated that a large proportion of minorities are paying over 30 percent of their income for housing. The 1979 special census may be reflective of the ongoing problem minorities encounter with housing.

3.1.6.5 Female-Headed Households

There are 5,505 female-headed households in Huntington Beach. This represents 9 percent of all households in the City. Of this number, 3,922 female-headed households include children, while 1,583 do not. A total of 840 female-headed households are classified as below poverty, or 15 percent of the total. More female-headed households with children are below poverty (19 percent) as compared with female-headed households without children (4 percent). The

percentage of female-headed households below poverty is much higher than the percent of all households in the City below poverty. Only 3 percent of all City households are below poverty. Female-headed households need special assistance in obtaining affordable housing.

3.1.6.6 Farmworkers

Huntington Beach has 878 workers engaged in farming, forestry and fishing, or 7.5 percent of the total number of workers in this category in Orange County. SCAG estimates that there are a total of 150 farmworker households in Huntington Beach. The Regional Housing Allocation model designates 90 percent of all farmworker households as eligible for assistance. According to this formula, 135 farmworker households in the City are eligible for assistance; 83 households are very low income, and 53 households are low income.

It would be very difficult to single out so few households for a special housing program; therefore, the City will include farmworker households in programs for all very low and low income households.

3.1.6.7 Mobile Home Residents

There are 2,715 mobile home dwelling units in the city. These appear to represent a significant portion of the existing low and moderate income affordable housing. The escalating cost of mobile home space rentals is becoming a problem, especially for those households on fixed incomes. The average size of mobile home households is 1.53 persons, indicating that many mobile home occupants may be elderly retired people. Households occupying mobile homes do not have a great deal of locational choice because 1) it is very expensive to move mobile homes, 2) there is a great shortage of spaces for existing older units since coaches are generally sold on the site and 3) new parks will not accept older units. Few new parks have been developed in recent years due to high land costs and restrictive zoning. Where new parks have been developed, rents are considerably higher than the old parks and initial costs for new mobile homes generally exceed \$20,000 - considerably more than the value of an older coach. Because new mobile homes are considerably less expensive than conventional housing, financing is available only up to 20 years, with 15 year mortgages more common. Interest rates for mobile homes are generally higher than for conventional housing, ranging from 13 1/2 to 15 percent.

Older mobile home parks within the city are in desirable locations, often in older portions of the city, where recycling of land uses is likely to occur. This presents a problem for relocating existing residents, since the affordability of their present dwelling will be difficult or impossible to duplicate.

3.1.6.8 Families and Persons in Need of Emergency Shelter

Accurate information about the homeless in Huntington Beach is currently not available. Only recently the first accurate survey of homeless within Orange County was conducted by the Coalition for the Homeless. The Coalition, a volunteer group, was advised by experienced scientific consultants from the University of California at Irvine. The survey was conducted during a one month period in May-June 1985. It found that during this period 3,169 persons requested shelter from the agencies participating in the study. Of these, 1,176 were children.

Not all the county agencies providing help for the homeless participated in the study, and many of the participating agencies were not open on weekends. Also, the study did not attempt to survey homeless who were not seeking assistance. It is apparent that only a portion of the homeless were reached through this survey, yet the number of homeless surveyed is high. Apparently, homelessness is a large problem in Orange County.

The number of verified homeless attributable to the City of Huntington Beach during this one month survey period can be extrapolated from the Orange County figures. If Huntington Beach represents about 9 percent of the County's population, then 9 percent of the 3,169 homeless, or 285 persons should be attributable to Huntington Beach for May-June 1985. Admittedly, this may be an underestimation of the true number of homeless within the City.

Additional facts disclosed by the Coalition survey indicate that many of the homeless (24%) are actually employed; a large percentage (69%) had lived in Orange County one year or longer, and most were between 20 and 40 years of age. When asked why they were without housing, 69 percent said that there was no housing they could afford.

An accompanying survey of low cost temporary shelter sources, hotels, motels and boarding or rooming houses indicate that there are presently no rooms available in Huntington Beach under \$25.99 per night for one person. The cost of \$25.99 per night was selected for a threshold by those conducting the survey. A listing of low cost and emergency housing resources by the Orange County Health Care Agency indicates one motel in Huntington Beach with rooms at \$35.00 per night single and \$180 weekly. Hotels and motels may be the only place that homeless people can find shelter on a temporary basis without passing credit checks and having to pay a large advance deposit.

Individual churches or other charities may provide some relief for the homeless as funding is available. At this time, there are no organized programs under City auspices to assist homeless people.

3.2 Prospective Housing Needs

The previous section identified areas in which the City's present housing supply falls short of providing all economic segments of the community and persons having special needs with adequate housing opportunities. Because most of the housing produced by current market forces is generally not available at prices these households can reasonably afford, the public and private sectors must cooperate to produce and make available housing at less than market rates. Having examined the need for non-market rate households, the housing element will now address the prospective need for housing market rate housing based on anticipated population and employment growth, new household formation, and shifting housing preferences.

3.2.1 Population Growth

Population growth in the City of Huntington Beach has been and will continue to be a function of new residential development and an increasing housing stock. While the City experienced its peak rate of growth during the sixties, the community's desirable location will continue to attract new residential growth and housing opportunities. Estimates of the City's future population growth were presented in section 2.3, and indicated continued growth through the year 2000. New residential construction is expected to add approximately 19,000 housing units and 28,000 new residents through the year 2000. Within these growth parameters, the City should endeavor to provide for as many low and moderately-priced units as is economically feasible. Even with the active participation of the building industry in affordable housing programs, the majority of new housing units built will be market rate units.

3.2.2 Employment Growth

The need for housing within a given market area is largely dependent on the local economy and the number and types of jobs available. During the sixties, much of the new home construction in Huntington Beach appealed to households employed in the Los Angeles area. During this period, the Orange County economy began to grow and diversify from a concentration of large industrial employers to include more ancillary and service jobs. The continuing diversification of the local economy attracts a greater variety of non-skilled, semi-skilled, and professional workers, all of whom should be provided with adequate housing opportunities and choice. To a great extent, low density zoning and inflating land values have perpetuated the production of larger luxury homes in Huntington Beach and other neighboring communities, limiting the housing opportunities for households with lower incomes. The failure of individual communities to provide a range of housing opportunities to match the regional economy causes longer commutes to work and the concentration of lower income groups in older areas of the county.

An assessment of the prospective need for market rate housing must take into consideration the number, type, and wage levels of new jobs created in both the City and the County. According to the 1980 census, 23 percent of the City's residents stated that they were employed in Huntington Beach, with an additional 42 percent employed in Orange County, and 26 percent outside of Orange County. On the other hand, the City provided employment for 43,747 persons in 1980, approximately 5.1 percent of all workers in Orange County. The number of jobs, average wages, and employment projections for the City and County are presented in Table 3-3. The number of jobs in Huntington Beach is expected to increase to 59,220 by 1995 if the City to County ratio of jobs in each category remains constant.

A total of 87,998 city residents are employed in some capacity, or an average of 1.4 jobs per household. Based on the amount of vacant commercial and industrial land, the City can ultimately provide approximately 18,250 additional jobs for about 13,000 additional households in the City. However, not all persons employed within the City can be expected to seek housing here. If as many as 75 percent of the new workers were to want housing in the City, there should be sufficient land available to accommodate them at ultimate buildout.

3.2.3 New Household Formation and Housing Preference

The average size of households in Huntington Beach is an estimated 2.78 persons per household. Given smaller households and increasing demand for housing, the construction of smaller 1, 2, and 3 bedroom units at higher densities is probable. New households may be willing to sacrifice space and luxury amenities in order to obtain affordable housing. The obstacles encountered by smaller households in qualifying for home purchase may increase demand for affordable rental units.

TABLE 3-3
EMPLOYMENT PROJECTIONS FOR HUNTINGTON BEACH

	Average Yearly Wage-1982	# of Jobs Actual 1980	# of Jobs Forecast 1985	# of Jobs Forecast 1990	# of Jobs Forecast 1995	Change '85-95
Total-Orange County	\$17,841	847,793	1,086,100	1,256,300	1,333,400	77,100
Total HB	unavailable	43,747	49,626	56,423	59,220	9,594
Agriculture	\$10,408	425	416	404	404	-21
Mining	\$31,588	287	298	322	335	+37
Construction	\$26,851	1,794	1,866	1,959	1,984	+118
Manufacturing	\$21,815	11,860	13,520	15,413	15,721	+2,201
Trade	\$12,817	11,442	13,387	15,663	16,132	+2,745
Transportation/ Public Utilities	\$21,941	1,992	2,410	2,916	2,939	+529
Financial/ Insurance/ Real Estate	\$17,780	1,992	2,231	2,476	2,526	+295
Services	\$17,000	6,585	7,638	8,860	10,012	+2,374
Government	\$17,450	7,346	7,860	8,410	9,167	+1,307

Source: Huntington Beach Department of Development Services, based on data from the State of California Employment Development Department Annual Planning Information and Employment by Industry.



HUNTINGTON BEACH CALIFORNIA
PLANNING DIVISION

4 Housing Constraints

4.0 HOUSING CONSTRAINTS

The ability of the private sector to provide housing is affected by forces in both the marketplace and the governmental arena. These forces will be discussed in the following sections, and their effects on the cost, types, and quantity of housing examined.

4.1 Market Constraints

Several factors influence the feasibility and cost of privately developed housing. Within the market area there is demand for a wide range of housing types and price categories. Which demands will be satisfied depends upon the interpretation of demand by the developer, the costs of land, construction, and financing, and the developer's opportunity for profit. The availability of land for various types and density of housing also affects development decisions. Governmental requirements and constraints interact with market forces and are discussed separately in Section 4.2.

4.1.1 Land Costs

Costs associated with the acquisition and improvement of land include the market price of raw land, the costs of holding land throughout the development process, and necessary improvements to the land prior to construction. It has been estimated that these costs contribute 25-30 percent to the final sales price of new homes.

Necessary improvements to land are estimated at \$8,000 - \$10,000 per residential unit. This includes streets, curbs, gutters, lighting, parkway landscaping or other amenities, water and sewage lines, and utility connections to each site. Reductions in these expenses may depend upon reducing City standards.

Land holding costs during development are estimated at \$600-\$1,000 per unit for a 9 to 12 month period. This figure is determined by interest rates on acquisition and development loans, which presently run 2-4 percent above the prime rate. Interest rates are not amenable to control by local jurisdictions, therefore the greatest inroad that can be made on holding costs would be through shorter processing times for development permits. Processing time has a much larger impact on construction costs than on holding costs, however, due to inflationary effects on construction and labor.

The major component of total land cost is the price of raw land. Land prices in the City are quite high - \$250,000-\$350,000 per acre is common. A medium-density (15 units per acre) residential development would incur a per unit land cost of \$16,666. A density increase to 20 units per acre would reduce land costs to \$12,500 per unit and could reduce the sales price on an individual unit by \$4,166. The City, however, cannot control the market price of its land, which is pushed up by speculation, high demand, dwindling supply, and desirable proximity to the coast. One alternative to prevent inflating land costs is for the City to "bank" land by outright purchase or donation in order to assure continued availability of sites that can be used for affordable housing.

Left alone, the rapidly escalating market price of land will tend to encourage mainly higher priced development. Higher density zoning could reduce the cost per unit of land, but land zoned higher density commands a higher market price. For this reason, density bonuses rather than zoning changes may be the preferred vehicle for reducing land costs.

The cost of the acquisition and development of land may also be lowered by a developer's use of mortgage backed revenue bonds. The City maintains an ongoing program to provide tax free bond financing for new multi-family housing. Under this program, tax exempt bonds are sold by the City to provide low interest loans to developers and homeowners.

4.1.2 Construction Costs

Construction and land costs together represent between 65 and 75 percent of the sales price of housing. Average construction costs at present are between \$27 and \$37 per square foot depending on the level of amenities and the type of units (single family detached, attached condominiums, or apartments).

"Bare bones" construction, or a reduction in amenities and quality of materials (above a minimum level of acceptability for health, safety, and adequate performance) could result in lower sales prices. Additionally, pre-fabricated, factory built housing may provide for lower priced housing by reducing construction and labor costs. This possibility should be investigated.

A major contribution to increasing prices is the rate of inflation in construction costs. Prices for materials and wages are inflating rapidly, sometimes far in excess of the Consumer Price Index. Delays in development are therefore very expensive. Streamlining of permit processing procedures thus may help minimize housing prices.

An additional cost factor is related to the number of units built at the same time; as this number increases, construction costs over the entire development are reduced because 1) earlier build-out reduces the effect of inflation on prices and 2) some costs can be lowered by buying or installing in larger quantity. This factor provides an additional benefit when density bonuses are utilized.

4.1.3 Financing Costs

The impact of interest rates on housing is substantial, both for renters and purchasers. Interest rates, however, are determined by national policies and economic conditions, and there is little that local agencies can do to affect these rates.

Presently, interest rates for home mortgages on owner-occupied single family dwellings are approximately 14 percent for fixed rate, 30 year loans. Most banks and lending institutions also offer adjustable rate mortgages starting at approximately 11 1/4 percent. These loans offer homebuyers lower interest rates initially; however, the interest rate on these loans can be "adjusted" both up or down based on current economic conditions. Interest rates for rental units and interim and construction loans are higher. The high costs of borrowing money are passed on to housing consumers by developers and landlords as part of their business expense. For purchasers, each one percent increase in interest rates on mortgages translates into 75 cents per thousand dollars per month of a payment on a 30 year loan at various purchase prices and interest rates. Table 4-1 shows the monthly payment (principal and interest) required for a 30-year loan at various purchase prices and interest rates.

For prospective purchasers, the required downpayment may be an obstacle to obtaining suitable housing. Conventional financing generally requires that 10-20 percent of the sale price of the unit be paid as a downpayment. Accumulating such a large amount of capital can be a problem for first time entrants into the housing market. Households which are relocating will often have enough equity in a previous residence to meet the downpayment requirements of the next home.

Government insured loan programs may be available to reduce the downpayment requirements considerably if the household and/or desired property meet certain qualifications. V.A. loans are available to veterans currently at interest rates of 12 1/2 percent, require no downpayment, but have an upper limit on the loan price of \$100,000. Cal Vet loans, available to California veterans, currently offer 25 year term variable loans beginning at 8 percent.

TABLE 4-1
MONTHLY MORTGAGE PAYMENTS (PRINCIPAL AND INTEREST) 30 YEAR AMORTIZATION

<u>PRICE</u>																	
75,000					100,000					125,000					150,000		
Down Payment	0%	5%	10%	20%	0%	5%	10%	20%	0%	5%	10%	20%	0%	5%	10%	20%	
Interest Rates																	
11.00	714	679	643	571	952	904	857	810	1190	1131	1071	952	1429	1357	1286	1143	
11.25	728	692	656	583	971	923	874	777	1214	1152	1093	971	1457	1384	1311	1166	
11.50	743	708	668	594	990	941	891	792	1238	1176	1114	990	1485	1411	1337	1186	
11.75	757	719	681	606	1009	959	908	808	1262	1191	1136	1009	1514	1438	1363	1211	
12.00	771	733	694	617	1029	977	926	823	1286	1221	1157	1029	1543	1466	1389	1232	
12.25	785	747	707	629	1048	995	943	838	1310	1244	1179	1048	1572	1493	1416	1258	
12.50	791	760	720	640	1067	1014	961	854	1334	1267	1201	1067	1601	1521	1441	1281	
12.75	815	774	734	652	1087	1022	978	869	1359	1290	1223	1087	1630	1549	1467	1304	
13.00	830	788	747	664	1106	1051	996	885	1383	1314	1244	1106	1659	1576	1493	1328	
13.25	844	802	760	675	1126	1069	1013	901	1407	1337	1267	1125	1689	1604	1520	1351	
13.50	859	816	773	687	1145	1088	1031	916	1431	1360	1289	1145	1718	1632	1546	1375	
13.75	874	830	786	699	1165	1107	1049	932	1456	1384	1311	1165	1748	1660	1573	1398	
14.00	889	844	800	711	1185	1126	1066	948	1481	1407	1333	1185	1777	1688	1600	1422	
14.25	904	858	813	723	1205	1144	1084	964	1506	1431	1355	1205	1807	1717	1626	1446	
14.50	918	873	827	735	1225	1163	1102	980	1531	1454	1378	1225	1837	1745	1653	1469	
14.75	933	887	840	747	1244	1182	1120	996	1555	1478	1400	1244	1866	1773	1680	1493	
15.00	948	901	854	759	1264	1201	1138	1012	1580	1502	1423	1264	1896	1802	1707	1517	

Source: Huntington Beach Department of Development Services taken from the Monthly Mortgage Calculator for Conventional and FHA Loans Financial Publishing Company, 1984.

The maximum amount of a loan currently available under the Cal Vet loan program is \$90,000. F.H.A. insured loans may require a 5-15 percent downpayment, at 12 1/2 percent rate of interest, with a limit of \$75,000 on the loan amount.

4.1.4 Availability of Land

The greatest constraint to the production of new housing in Huntington Beach, regardless of price, is the availability of vacant developable land. The incorporated area of the City encompasses approximately 17,174 acres of land; of this, an estimated 15,221 acres are currently developed, about 88 percent of all land in the City. Of the approximately 1,950 acres that remain, about 824 acres are presently designated for residential use, with the majority in the Estate and Low Density categories. Only 300 acres of vacant medium and high density land are available for the development of condominiums and rental units to accommodate the City's housing needs. The City will consider implementing general plan amendments and/or zone changes to increase density and offering density bonuses to developers of large projects in order to achieve identified housing goals. However, any contemplated increases in density are limited by the ability of the City's existing and planned system of community facilities and municipal services to adequately and safely accommodate designated land uses throughout the City.

Subdivision patterns also affect the availability of land for new development. Much of the remaining vacant land in the City exists in scattered, smaller parcels. In some cases, these parcels may be landlocked or substandard for development. While the collective acreage may be adequate to allow development in pursuit of housing goals, the suitability of individual sites is often hampered by multiple ownership and/or poor configuration, poor location, or environmental constraints.

4.2 Governmental Constraints

Local governments affect the supply, distribution, and cost of housing through land use controls, building codes, development permits, and processing fees. Compliance with State-mandated requirements such as environmental impact assessment and Coastal Commission approval procedures may also influence the cost and nature of residential development. In addition, property taxes and special assessments contribute to governmental impact on housing. This section discusses how each of these factors relates to the City's ability to respond to its housing needs.

4.2.1 Land Use Controls

The City's policies for development are set forth in the General Plan, which contains nine state-mandated elements dealing with the issues of land use, circulation, housing, noise, safety, seismic safety, open space, conservation, and scenic highways. While the issues and policies related to housing are addressed primarily in the Housing Element, policies contained in all of the other elements significantly affect the character and production of housing in Huntington Beach. The relationship of the other General Plan elements to the Housing Element is discussed in Section 1.3.

The location and types of housing in the City are determined to a great extent by development policies contained in the Land Use Element, which establishes the amount and distribution of various land uses throughout the City. Residential development is allowed in the following General Plan land use categories:

Land Use Category	Allowable Density	Total Acreage Designated	Percent of Total City Acreage
Estate Residential	0-4 units/gross acre	287	1.7%
Low Density Residential	0-7 units/gross acre	8,730	50.8%
Medium Density Residential	0-15 units/gross acre	1,968	11.5%
Medium High Density Residential	0-25 units/gross acre	42	.2%
High Density Residential	25+ units/gross acre	546	3.2%
Mixed Development	varies	75	.4%
Planned Community	varies	210	1.2%

The density of development allowed under these designations determines the type of housing that is developed. Over half of the City's incorporated land area is planned for low density residential use, which explains the predominance of detached single family homes. Considerably less acreage is planned for medium and high density uses, which characteristically provide condominium and apartment units. The areas of the City designated Mixed Development and Planned Community allow for a mixture of uses, densities, and housing types.

Generally speaking, the more units per acre, the less cost per unit for fees, required improvements, and developers' overhead cost. Presently, only 67 acres of undeveloped high density land remain in the City, and the majority of this exists in small remnant and unconsolidated parcels. Nearly half of the 67 acres are located along the first block of the townlot area within the coastal zone boundary where land costs are high. The suitability of this area for low and moderate income housing is very limited.

Under the existing City code, a developer may build a portion of any one project at a higher density and a portion at a lower density, as long as the overall density of the entire project does not exceed that which is allowed by the zoning. This approach may allow certain units within a project to be available at a lower cost.

Under State law, when a developer agrees to construct at least 25 percent of the total units of a housing development for persons and families of low or moderate income, the City is required to grant either a density bonus or provide other incentives of equivalent financial value. A "density bonus" means a density increase of at least 25 percent over the otherwise maximum allowable residential density under the applicable zoning and General Plan designation.

The additional units allowable with a density bonus offset land and site preparation costs permitting the developer to reduce the final cost of individual units. Density bonuses can assist both the City and the developer by providing more affordable housing for the consumer without reducing the overall profitability of a residential development for the builder. Density bonuses can be combined with fast-track processing, a permitted reduction in amenities, slightly smaller unit size, and/or government assisted financing programs to further increase the production of affordable housing.

The City's coastal location and lack of abundant vacant land has contributed to the inflation of land values. Even with the option of a density bonus for residential developments, high land costs continue to constrain the building industry from producing abundant affordable housing. In the absence of special incentive programs, the private sector will continue to experience difficulties in expanding housing opportunities for low and moderate income households given present residential land use controls.

4.2.2 Local Building Codes

Huntington Beach has adopted the Uniform Building Code, which establishes minimum construction standards. Although a locality may impose more stringent standards, it cannot adopt any which are below those of the UBC. Thus, the City cannot reduce construction costs by revising the City Code, as some cities with stricter standards are able to do.

4.2.3 Required off-site and on-site improvements

Developers of single family residential tracts in the City are required to install arterial and local streets, curbs, gutters, sidewalks, sewers, street lighting, and trees in the public right-of-way within and adjacent to a tract. These facilities are, in most cases, dedicated to the City, which is responsible for maintenance. The cost of off-site improvements obviously varies, dependent largely upon the type and location of the residential development but can be generally estimated at approximately \$8,000 per dwelling unit.

While there are no required on-site improvements for lots created by a typical single family subdivision, some on-site improvements are required for planned residential developments and apartments. For example, private streets and landscaping within a planned development must meet standards set forth in the zoning ordinance. Additionally, a minimum of 10,000 square feet of recreational area is required within all planned developments, regardless of the size or density of the project. All off-site improvements mentioned above are also required for planned developments. Apartment developments are subject to minimum on-site open space and parking requirements as well as off-site improvements.

4.2.4 Permits

As specific projects are initiated, detailed approvals are required which take the form of permits and inspections. The average application and permit processing times are given in Table 4-2.

The high cost of housing is often blamed in part on governmental delays and bureaucratic red tape. Unquestionably, more stringent development regulations have increased processing time and thus added to housing costs. It has been estimated that every month a residential project is delayed beyond its planned construction start date, the cost per dwelling unit increases by at least 1.1 to 1.5 percent of the planned selling price.⁽¹⁾ One potential way to reduce housing costs would be to reduce the time necessary for processing of permits. A comparison of average processing times for Huntington Beach and selected other localities is presented in Table 4-3. At present, it would not appear that significant savings would result from "fast track" processing because these times are relatively short in the City.

The City's permit processing procedures include assessment of the environmental impact of proposed projects, and review of the environmental impact report, if one is required. This portion of the processing procedure is mandated by State law under the California Environmental Quality Act.

Approximately 26 percent of the remaining vacant residential land within the City's boundaries lies within the coastal zone. Projects proposed within this zone must, in addition to City approval, obtain the permission of the Regional Coastal Commission. This procedure will be expedited after the approval of the Local Coastal Plan, when the City will assume the approval process (expected by June, 1984).

(1) Orange County Cost of Housing Committee

TABLE 4-2

PROCESSING TIME AND FEES

<u>Application</u>	<u>Estimated Processing Time In Weeks</u>	<u>Application Fee</u>
BOARD OF ZONING ADJUSTMENTS		
Lot Line Adjustment	2-3	\$105.00
Use Permit	3	\$115.00
Conditional Exception	3	\$115.00
Plot Plan Amendment	3	\$115.00
Administrative Review	2-3	\$110.00
Tentative Parcel Map	3	\$105.00
PLANNING COMMISSION		
Conditional Exception	4	\$247.00
Conditional Use Permit	6	\$302.00
Tentative Tract Map	6	\$385.00 +
Zone Change*	6	\$390.00
General Plan Amendment*	12	\$325.00 +
Code Amendment*	6	\$357.00
Precise Plan of Street Alignment*	6	\$506.00
Special Sign Permit	4	\$247.00

*Requires City Council approval also: Add approximately 3 weeks.

Source: Huntington Beach Department of Development Services

Revised 1984



HUNTINGTON BEACH CALIFORNIA
PLANNING DIVISION

TABLE 4-3
COMPARISON OF DEVELOPMENT PROCESSING TIME IN MONTHS

	<u>H.B.</u>	<u>Irvine</u>	<u>Newport</u>	<u>Costa Mesa</u>	<u>Orange County</u>	<u>Riverside (County)</u>	<u>Riverside (City)</u>
General Plan Amendment	1.5	3 - 24	6	4	12 - 24	4 - 12	4
Zone Change	1.75	3 - 4	2	4	3 - 4	7 - 9	4 - 6
EIR's	2	4 - 6	(1)	4	3 - 4	3 - 5	3 - 4
Tentative Tracts	1	3	3	1	1 - 2	6	1 - 2
Site Plan Review (Staff)	1	1 - 2	(2)	1	1 - 2	1	2 - 3
Site Plan Review (Comm.)	1.5	1 - 2	(2)	2	1 - 2	(3)	(2)
Plan Checking/ Building Permits	1		1 - 2	1 1		1.5	1.5 1.5

Source: Huntington Beach Department of Development Services



HUNTINGTON BEACH CALIFORNIA
PLANNING DIVISION

4.2.5 Fees

Fees are collected by the City to help cover the costs of permit processing, inspections, environmental impact determinations, and to contribute to the delivery of services such as water, sewers, storm drains, libraries, parks and recreational facilities. These fees are assessed on the basis of square feet of building space, number of dwelling units, or acres of development. As land use densities increase, the proportion of the cost borne by each unit decreases for those fees which are charged on a per acre basis.

Costs per dwelling unit for fees in Huntington Beach averaged approximately \$3,155 as of March, 1984. A large percentage of this cost consists of fees (or property dedications) for parks and recreation purposes. A detailed analysis of City fees appears in Table 4-4. Table 4-5 compares the City's fees with other Southern California jurisdictions.

4.2.6 Taxes and Insurance

The current estimate of the share of the cost of owning or renting attributed to taxes and insurance is 10 percent. This burden falls more heavily on lower income households, whose expenditures for housing require a larger proportion of their household income. Since property taxes on homes which are sold are based on the purchase price, new home buyers face higher taxes than those who remain in their current residences. Renters, too, are vulnerable since they are unable to control the sale of the property in which they live, yet the rent they pay may be raised to cover the new landlord's higher taxes.

4.3 Regional Relationships

The provision of adequate housing for all sectors of the community is an area-wide problem, closely tied to economic expansion and employment growth. Particularly in Southern California, where long commute trips to work are common, the location of market rate households tends to be dictated more by preference than by necessity. Long commuting distances increase traffic congestion and lower air quality. The rising cost and growing shortage of gasoline should provide incentives to reduce commuting travel in the future, putting greater pressure on the housing market in the older, more accessible cities.

Approximately one-half of Huntington Beach lies within the flood plain of the Santa Ana River and has been designated a special flood hazard area by the federal government (see Figure 4-1). Under the National Flood Insurance Act of 1968, mortgage lenders are authorized to require that structures located in flood hazard areas be insured against potential flood damage. Flood insurance is available (and is required for homes in the special flood hazard area) at subsidized rates. Insurance premiums vary according to the mortgage amount of the structure being insured, averaging between \$160 and \$300 per year for single family homes. Premiums for

TABLE 4-4
PERMIT PROCESSING AND DEVELOPMENT FEES IN HUNTINGTON BEACH*
 (Average Per Unit For Selected Construction)

	LOW DENSITY		MEDIUM DENSITY				MEDIUM HIGH DENSITY			HIGH DENSITY		
Per Unit Average Fee	Single Family Detached 2509 s.f.	Condo- minium 1600 s.f.	Single Family Detached 1650 s.f.	Condo- minium 1200 s.f.	Apt. (2-4 units) 1000 sf	Apt. (2-4 units) 900 sf	Condo- minums 894 s.f.	Apt. (2-4 units) 950sf	Apt. (5 + units) 750 sf	Condo- miniums 770 s.f.	Apt. (2-4 units) 800 sf	Apt. (5 + units) 712 sf
Parks & Re-creation	\$2,395		\$1,662		\$2,395		\$1,662		\$1,662		\$1,662	
Library	311		200		205		160		120		110	
Entitlement	500		800		500		800		230		230	
Water	60		60		60		60		60		60	
Other **	959		727		738		605		534		500	
Per Unit Average Total	4,225		3,449		3,898		3,277		2,606		2,562	

* Estimates only; processing and development fees vary depending on project location, unit mix and site conditions.

NOTE: Not included are drainage and sewer assessment fees which depend on location and site characteristics.

** Includes building, plan check, electrical, mechanical, plumbing, conservation and sewer hook up fees.

Source: Huntington Beach Department of Development Services

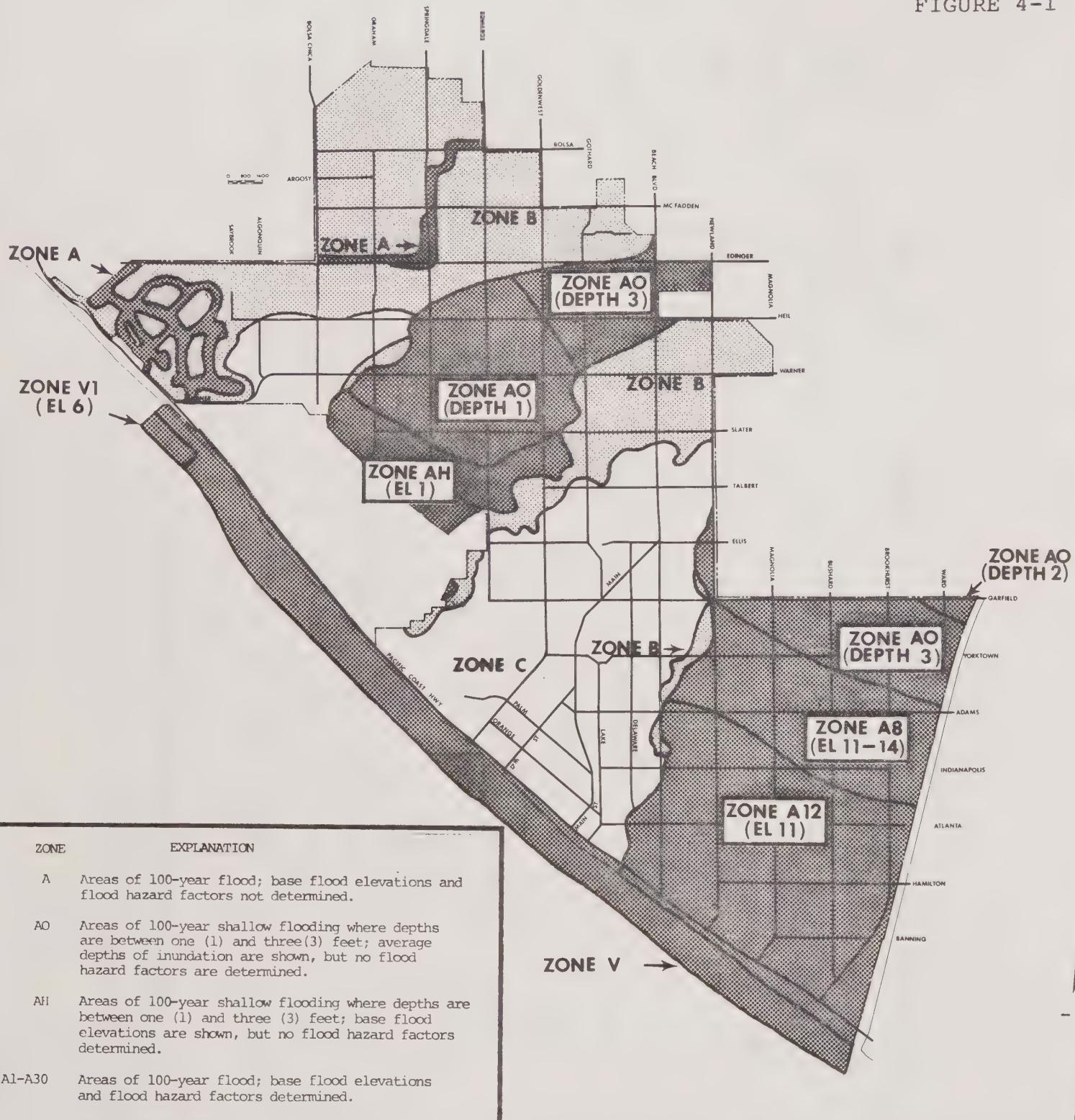
TABLE 4-5
COMPARISON OF PLANNING AND PERMIT FEES FOR SINGLE FAMILY DWELLING

<u>City</u>	<u>Building Permit 1500 sq ft</u>	<u>Plan Check 1500 sq ft</u>	<u>Electrical Permit 1500 sq ft</u>	<u>Plumbing Permit 1500 sq ft</u>	<u>Grading/ Inspection</u>	<u>Sewer</u>	<u>General Plan Amendment</u>	<u>Park In Lieu</u>	<u>Site Plan</u>	<u>Tent. Tract Map</u>	<u>Zone Change</u>
Anaheim	433.00	281.00	39.00	43.00	80.00	490.00	13.00	579.00	0.00	6.00	2.00
Buena Park	649.00	454.00	48.00	58.00	80.00	300.00	10.00	0.00	5.00	8.00	10.00
Costa Mesa	350.00	281.00	35.00	61.00	80.00	500.00	20.00	1,206.00	0.00	3.00	12.00
Fountain Valley	313.00	203.00	38.00	29.00	70.00	325.00	0.00	1,050.00	5.00	14.00	9.00
Garden Grove	321.00	200.00	111.00	130.00	14.00	432.00	16.00	650.00	8.00	10.00	12.00
HUNTINGTON BEACH	301.00	196.00	131.00	88.00	19.00	1,381.00	30.00	2,395.00	6.00	13.00	8.00
Irvine	295.00	192.00	26.00	26.00	92.00	1,525.00	22.00	4,120.00	18.00	49.00	22.00
Newport Beach	193.00	115.00	24.00	29.00	227.00	950.00	13.00	3,200.00	7.00	13.00	5.00
Santa Ana	310.00	202.00	18.00	23.00	150.00	790.75	10.00	400.00	10.00	65.00	3.00
Westminster	337.00	169.00	26.00	51.00	83.00	500.00	3.00	785.00	2.00	13.00	3.00
Orange County	662.00	285.00	0.00	0.00	48.00	262.00	10.00	1,500.00	31.00	50.00	14.00

Fees are shown per dwelling unit although not all fees are collected on a per unit basis.

Source: Building Industry Association of Southern California , 1982.

FIGURE 4-1



FEBRUARY 16, 1983
FLOOD INSURANCE RATE MAP

huntington beach
planning division

multi-family units are somewhat higher. The flood insurance requirement adds slightly to the price of affected homes in Huntington Beach, and may indirectly add to the cost of affected rental units.

4.3.1 Employment-Residence Balance

Employment levels within Orange County have shown substantial growth in the years preceding 1980. Total Orange County employment is expected to increase to an estimated 1,254,000 in 1984 from a 1982 annual average of 1,206,500. The total job count is expected to increase by about 3 percent per year during the 1980's to a 1990 total of 1,256,300. The growth rate is projected to taper off to 1.2 percent annually during the 1990's and be well under one percent per year for the following two decades. Total employment in Orange County for the year 2020 is forecast at 1,605,400, up 70 percent from 1980.

At present, 85,998 residents of Huntington Beach are in the labor force. Of these, approximately 19,855 both work and reside in the City. Currently, there are an estimated 767 acres of vacant industrial and commercial acreage which ultimately could provide an estimated 18,250 additional jobs.

4.3.2 Regional Pressures on Local Housing Market

The southern portion of the County is where much recent growth has centered and where most new residential growth is expected to occur. The population of Orange County is projected to increase by 40 percent from its 1980 census total of 1,931,570 to 2,676,900 by the year 2000. During this period, 57 percent of the growth is expected to occur in South County areas. There should also be a larger proportion of employment opportunities in these areas resulting from new commercial and industrial development. To the extent that sufficient low cost housing is not provided in these areas, demand will increase in established residential communities where housing stock includes older, less expensive units. This demand will continue to increase the resale price of homes and rental value of apartments, as well as generate traffic and air quality problems.

4.3.3. Housing and Employment

New homes sold in Orange County in 1983 were significantly lower in price than 1982 sales, due largely to a reduction in home size. The average home price declined 4.2 percent (from \$171,200 to \$164,000) and the average square footage of living area declined 7.3 percent (from 1,780 square feet to 1,650 square feet). While the cost of housing has decreased somewhat, the average sales price of a home in Orange County continues to be the third highest of any county in California.

The real estate market in Huntington Beach has improved substantially since 1981 when interest rates for home loans were peaking at between 16 and 17 percent. The rise in household income, the availability of adjustable home loans, together with relatively stable housing and construction prices have made the purchase of homes possible for a larger number of individuals and families. The price range of new home sales in Orange County during 1982 and 1983 is shown in the following table:

NEW HOME SALES BY PRICE RANGE

1983 SALES

\$50,000-	\$70,000-	\$90,000-	\$110,000-	\$130,000	\$170,000-	\$290,000
\$69,999	\$89,999	\$109,999	\$129,999	\$169,000	\$289,999	+
8%	18%	12%	14%	17%	21%	10%
9%	11%	3%	11%	27%	29%	10%

1984 SALES

\$50,000-	\$70,000-	\$90,000-	\$110,000-	\$130,000	\$170,000-	\$290,000
\$69,999	\$89,999	\$109,999	\$129,999	\$169,000	\$289,999	+
9%	11%	3%	11%	27%	29%	10%

As the table indicates, despite rising incomes and more favorable home financing, home ownership continues to be limited to moderate and upper income households. HUD estimates that at least 45 percent of all demand for future sales units will be in the moderate and low cost range. Almost all demand for rental units will be moderate and below, with about 68 percent for low cost rentals.

There are indications that industry is beginning to consider the availability of affordable housing which affects its supply of labor in making locational decisions. A lack of reasonable housing alternatives for workers could result in loss of employment opportunities with a concomitant drop in revenues and economic vitality for the community.

5 Energy Conservation

5.0 ENERGY CONSERVATION

The City has many opportunities for directly affecting energy use within its jurisdiction. Because a major proportion of energy consumed in a community is tied to on-site uses, both directly (heating and cooling buildings) and indirectly (through the impact of development patterns on activities such as transportation), conservation policies directed toward the residential development process offer the greatest potential for the City to reduce energy waste.

In this section, building and land use policies are briefly reviewed to identify the steps the City could take to encourage energy conservation in residential development.

5.1 Building Conservation Standards

Energy conserving building standards for new construction (Title 24 of the California Administrative Code) have been in effect in the state since 1978 and were upgraded in 1982. These standards can be met by any of three alternative approaches: a passive solar building, a well-insulated non-solar building, and a building with an active solar domestic hot water system. Current policy in Huntington Beach with respect to energy conservation building standards involves enforcement of Title 24 standards, as mandated by the State.

Modifying building standards represents the most logical and effective means of improving the energy efficiency of buildings yet to be built. Two strategies are available to the City to reduce energy use in newly constructed housing. A number of relatively

minor modifications to building codes and standards can significantly reduce much of the energy now wasted in heating and cooling. Features such as insulation in walls, ceilings and water heaters, and weatherstripping around doors and windows can effectively plug energy "leaks" through which heated or cooled air can escape. A well-insulated building requires less energy to heat and cool and is often more comfortable because there are fewer drafts.

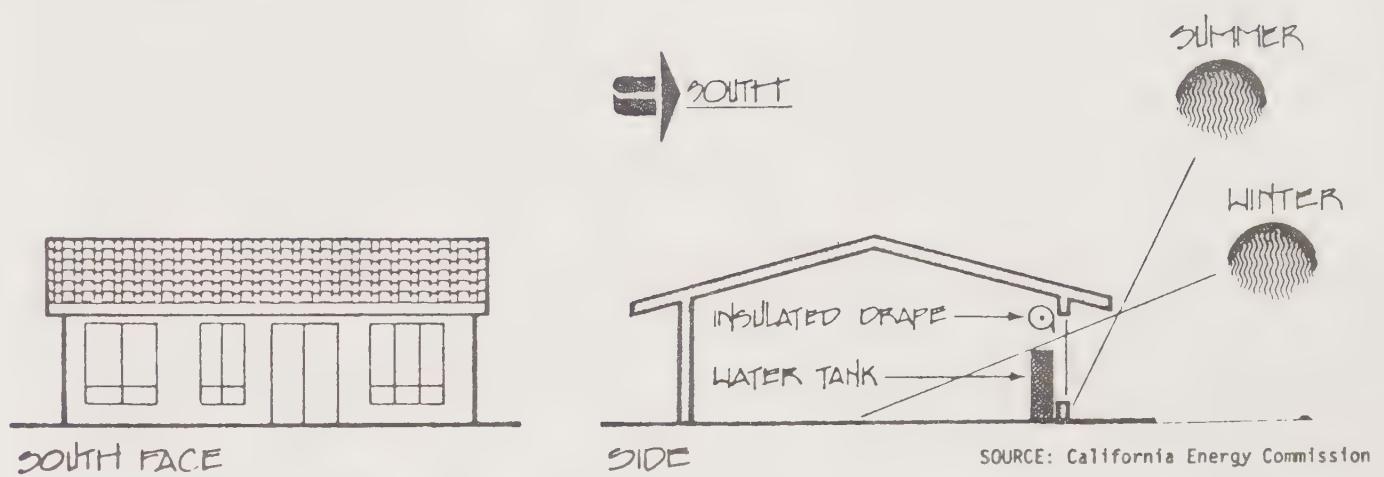
A more comprehensive approach, passive solar design, involves using the building structure itself as an energy source. Passive design utilizes energy from the sun and local climate (e.g., prevailing breezes) to both heat and cool buildings (See Figure 5-1).

Estimates by the California Energy Commission indicate that in Orange County, 85-90 percent of the heating and cooling needs of typical tract homes could be met by passive solar designs. Passive heating and cooling is accomplished through both careful lot siting and building design that usually includes the following features: a) winter exposure and summer shading of south-facing glass; b) increased thermal mass of the structure to even out temperature variations; and c) appropriate exterior colors and vegetation to reduce artificial cooling requirements. Incorporating passive solar design into residential development represents the greatest potential for significantly reducing building energy consumption in new construction. The State of California has fully endorsed the concept of passive architecture by both sponsoring a passive home design competition and designing its new state office facility, the Bateson Building, as a passive solar "showplace".

5.2 Retrofitting

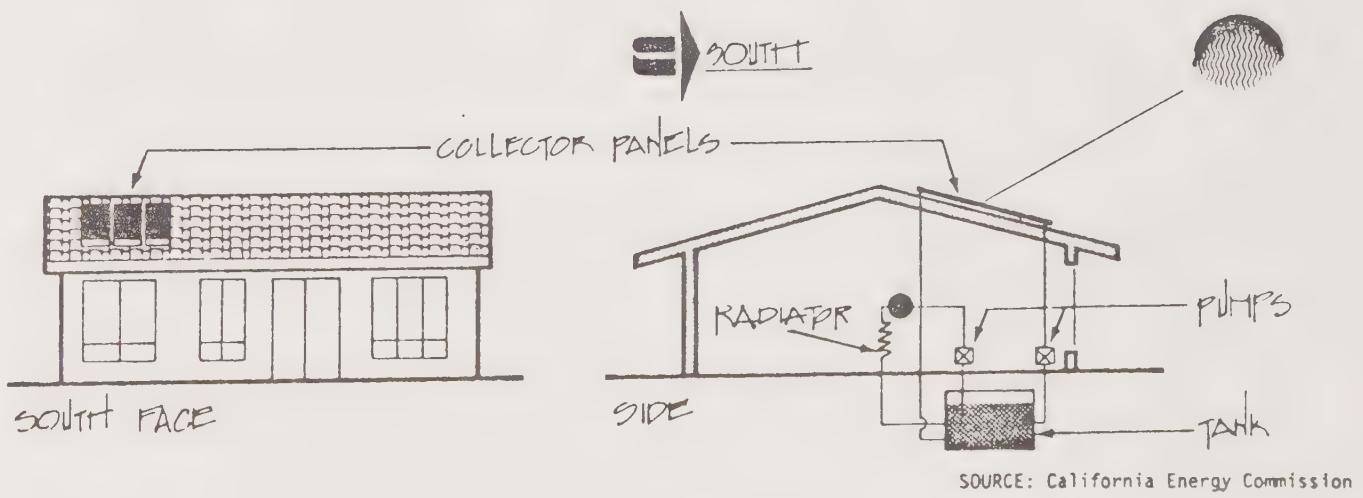
While Title 24 and local building codes are effective means of conserving energy in new residences, they do not apply to the more than 66,000 residential units currently existing in Huntington Beach. Techniques reducing energy use in existing residences, termed weatherization or retrofitting, are therefore important opportunities for energy conservation. Weatherization typically involves the installation of simple measures designed to plug energy "leaks", such as attic insulation, caulking and weatherstripping around doors and windows, water heater blankets, and devices to shade south-facing windows during hot summer months. Weatherization can reduce residential energy consumption by 30 to 60 percent without loss of personal comfort or change of life style.

Currently, the City is not involved in retrofitting existing housing units. Support for weatherization is being provided by the federally mandated Residential Conservation Service (RCS), in which gas and electric companies offer home energy audits to eligible customers. The City may consider adopting an active role in promoting weatherization and follow the model recently implemented in Santa Monica. The City of Santa Monica utilizes RCS funds to run its own conservation program. Municipal energy conservation teams



A Common Type of Passive Solar House

FIGURE 5-1



An Active Solar System

FIGURE 5-2



HUNTINGTON BEACH CALIFORNIA
PLANNING DIVISION

are sent to different neighborhoods and actually install measures in homes that want them. The Santa Monica program guarantees energy savings and is expected to be more cost-effective than traditional RCS programs. In addition, the Santa Monica program extends to tenants of multi-family buildings, a group not currently covered by the RCS program.

The City could also adopt retrofit ordinances. Such ordinances typically require the installation of specific, cost-effective weatherization measures in residential buildings built prior to the 1978 building standards. Compliance with these ordinances is usually required at the time of resale of the property.

Retrofit ordinances have to be evaluated with respect to their possible effect on the housing market. Although retrofitting may add to the price of housing, it could actually improve the ability of a buyer to qualify for a loan. This is because weatherized houses have lower utility bills, which is a consideration in the debt-income ratio used in decisions to grant loans. In a 1981 survey of prospective homebuyers in the San Diego area, it was found that a wide majority of the respondents (76%) would be willing to pay up to an additional \$1,500 for upgraded insulation.

The fact that 40 percent of Huntington Beach's housing is rental property underlines the importance of a retrofit ordinance for the City. Owners of rental property have little incentive to voluntarily weatherize rental units. Renters, in turn, may shy away from energy saving investments in their homes since they may not occupy the property long enough to recover the costs involved. Renters are also legally prevented from improving their homes without permission of the owner.

5.3 Active Solar Energy Conservation

Another means of conserving residential energy is the active solar energy system. Active solar systems, in contrast to passive solar design, involve collecting the sun's energy at one place (usually rooftop collectors) and transferring it mechanically (using pumps or fans) to a separate storage area (See Figure 5-2). In Southern California, active systems are generally too expensive for space heating but are particularly well suited to heating hot water for domestic, pool, and commercial use.

5.3.1 State and Federal Tax Credits

The economics of solar hot water heating are closely tied to state and federal income tax credits. Currently, there are no state tax credits available for solar heating of spas and pools. A solar tax credit of 50% is granted for the installation of solar systems in residential dwellings. There is \$3,000 limit on the tax credit per solar system. Federal tax credits are granted for solar space and hot water heating but not for pool heating. Home owners as well as members receive a 40 percent tax credit for the first \$10,000 spent

for a solar system granted the unit is built before 1977. Landlords are eligible for a business energy credit of 15 percent for installation of active solar systems in rental units regardless of when they are constructed.

The cost-benefit-analysis for solar systems should also include indirect economic benefits such as reduced imports of nonrenewable fuels, increased energy self-sufficiency, reduced environmental pollution, and stimulation of local employment.

5.3.2 Promoting Solar Development

The City could adopt ordinances that mandate solar systems under certain circumstances. More than 20 cities and counties in California have enacted ordinances requiring that solar be used at least as part of the heating system for new swimming pools and spas. Many communities have also adopted ordinances requiring solar domestic hot water heating.

A more flexible approach consists of mandating solar systems through the design review process. In making solar systems a condition for approval of subdivision maps, local government can ensure that solar is incorporated into larger housing developments, which, in communities like Huntington Beach, comprise the majority of new residential construction. In comparison to solar ordinances, this approach would be simpler and less costly to administer, although it would require more involvement by the City's planning staff.

An additional approach to promoting solar development, one that can serve as either an alternative or as a complement to mandatory provisions, is the Municipal Solar Utility (MSU) concept. An MSU is a local organization that provides residents with financial resources and/or services to facilitate the adoption of solar systems in the community. At least five cities in California currently have MSU's. An MSU can take one of three basic forms: (1) The direct service MSU offers a range of products and services to meet consumer needs, including the sale or lease of solar equipment, installation, financing and maintenance; (2) The broker MSU matches the needs of residents with suppliers, offering low interest loans, lease or rental options, technical assistance, system maintenance, insurance, and linking customers with private solar firms that sell and install solar systems; and (3) The facilitator MSU helps customers define their needs by offering consumer information, technical assistance for "do-it-youselfers", post-installation inspection and complaint mediation.

5.4 Land Use Controls

The City can take the initiative in guiding local development and land use in a way that reduces energy use requirements substantially over the long run. This discussion covers three areas in which the City can exercise its power to ensure that land is developed in an energy efficient manner: (1) solar access; (2) residential design standards; and (3) general land use guidelines.

5.4.1 Solar Access

All solar energy systems require direct access to sunlight in order to operate. Buildings and vegetation may shade solar collectors and can prevent the system from operating adequately. The lack of guaranteed direct access to sunlight, or "solar access" is one of the major barriers to more wide-spread use of solar heating.

In 1978, the California State Legislature passed the Solar Rights Act and the Solar Shade Control Act which provide a firm basis for protecting solar access, but the burden of responsibility for doing so is placed on local governments. At least 74 communities in California have already taken steps to ensure solar access.

The City has various alternatives for ensuring solar access within its jurisdiction. More specifically, the City may give careful consideration to implementing some set of the following actions:

a. Zoning:

- i. Review current zoning regulations to identify barriers to solar access. These should be modified provided such revisions do not clearly conflict with other community goals.
- ii. Revise current zoning regulations to more specifically protect solar access, through either prescriptive or performance standards.
- iii. Consider the use of flexible or negotiated zoning techniques to provide developers with additional incentives for providing solar access.

b. Subdivision Regulations:

- i. Revise subdivision regulations, in accordance with the California Solar Rights Act, to address solar access concerns through the siting and orientation of streets, lots and buildings.
- ii. Require the dedication of solar easements in new residential developments as is allowed under the Solar Rights Act.

c. Regulating Trees and Landscape:

- i. Actively enforce the California Solar Shade Control Act, as a means of protecting solar access from shading vegetation.
- ii. Review and revise current municipal tree policies, so that selected tree species and siting guidelines minimize both existing and potential shading of solar systems.

d. EIRs and Site Plan Reviews:

- i. Revise local EIR and site plan review guidelines to include specific provisions for addressing the issue of solar access.

e. Covenants and Easements:

- i. Review CC&Rs in local developments to remove unnecessary restrictions to the use of solar designs and devices, to be in compliance with the Solar Rights Act.
- ii. Encourage local developers to utilize CC&Rs to specifically protect solar access in new developments.

In developing a local solar access policy for Huntington Beach, the City should take full advantage of a technical assistance program provided by the State's SolarCal Local Government Commission, which is intended to facilitate the process of formulating such policies.

5.4.2 Residential Design Standards

A variety of residential design features, including careful site orientation, passive solar architecture, and use of vegetation for shading can significantly reduce the amount of energy consumed within the City over the next several decades. In 1980, the City adopted a Land Use Amendment (Amendment No. 80-1) to the General Plan that reflects Huntington Beach's general policy commitment to energy efficient residential design. The Amendment specifies a policy to promote design in development that will accommodate energy conservation features. This amendment provides the basis for developing specific guidelines and regulations.

Two alternative approaches may be considered by the City in implementing energy efficient residential development. One approach involves offering incentives to developers (e.g., zoning variances, priority processing) who voluntarily incorporate energy efficiency into their projects. In using this approach, criteria must be established that specify what design features qualify for such incentives. A second approach entails adopting development standards that would specify to what extend and/or in what ways energy conservation features must be incorporated into residential projects.

The environmental impact review process established under the California Environmental Quality Act (CEQA) offers planners an excellent tool for ensuring that energy conservation is incorporated into all new development. Under Appendix F of this Act, energy use implications must be considered in the drafting of Environmental Impact Reports. The City could direct further attention to the energy implications of development by requiring developers to submit, as part of their plans, a "statement of energy efficiency", in which they must specify the measures taken to minimize energy use in their proposed development.

The City could facilitate the incorporation of energy concerns into the development review process by developing a comprehensive list of energy conservation criteria that could be used in evaluating the energy conserving potential of submitted plans. The Solar Rights Act specifically grants cities the power to disallow subdivision maps that do not provide for passive heating and cooling opportunities. This power can be combined with other established municipal land use controls to ensure that energy conservation is adequately incorporated into future development.

5.4.3 Land Use Conservation Guidelines

Because 42 percent of total energy consumption is used for local travel, considerable conservation can be achieved by reducing local travel. One way to accomplish this is by encouraging greater land use integration. The principle of integrating land uses leads to neighborhoods that encompass a mix of residential and service-related uses (e.g., convenience grocery stores, low intensity office and commercial space, recreation facilities). Land use integration has been realized in Huntington Beach's new Downtown Specific Plan that provides for the combination of residential with commercial and office uses. The City may review its zoning ordinances and relax them whenever they prohibit the integration of land uses. Planned Residential Development provisions in zoning ordinances permit flexibility and, therefore, provide an excellent opportunity under existing regulations for energy efficient land use.

Short distance travel within residential neighborhoods may also be reduced by facilitating bicycling and walking. Huntington Beach is well suited to bicycle travel, both topographically (flat terrain) and climatically (year-round warm weather with a short rainy season). The City has already established a system of bike paths which receive frequent use, particularly near the beach areas. The safety and directness of bicycle paths should be an important consideration in the review of new housing developments. Similarly, pedestrian paths should be as short and direct as possible, providing short-cuts through particularly long blocks and major development sites.

Street landscaping can be effectively used to provide shade and rain protection for bicycle and pedestrian paths. For the coastal region in which Huntington Beach is located, the best tree species are those that are short and broad in size, deciduous and smog-tolerant. One relevant landscaping policy would be to encourage the use of drought-resistant vegetation, which requires significantly less water and, thereby, conserves both a precious, diminishing resource and the energy needed to supply it.

6 Present Housing Programs

6.0 PRESENT HOUSING PROGRAMS

The City takes an active role in providing housing assistance through its Housing and Community Development programs. At present, 840 households receive or have received housing assistance. Another 512 households will be assisted by projects that are now underway, bringing the total number of households assisted to 1,352 (see Table 6-1). The City's present housing programs are described in the following sections and summarized in Section 6.5.

6.1 New Construction

6.1.1 Talbert-Beach Senior Housing

The City will make available City-owned property within the Talbert-Beach Redevelopment Project Area for the provision of 164 apartment units for low income seniors. In addition, property owners of two adjacent parcels have expressed interest in devoting a portion of their property to similar housing for senior citizens. The City, through its redevelopment agency, will provide assistance to these property owners in the provision of 96 additional units for seniors. The City will use previously budgeted CDBG funds to construct street access and other infrastructure improvements necessary to implement this project. It is anticipated this project will be under construction by 1985. To facilitate construction of the project, the City will be providing tax exempt mortgage revenue financing which will offer a below market interest rate construction loan and long term mortgage for the project.

TABLE 6-1
CURRENT ASSISTED HOUSING

<u>Program</u>	<u>Household Type</u>	<u>Elderly</u>	<u>Family</u>	<u>Mixed</u>	<u>Total</u>
Scheduled New Construction	260	188			448
Section 8 Low Income Rental Assistance (New Construction)	185	105			290
Section 8 Existing	144	367			511
Completed Rehabilitation			39		39
Scheduled Rehabilitation			64		64
TOTAL	589	660	103	1,352	

HOUSING MET BY CURRENT CITY PROGRAMS

<u>Household Type</u>	SCAG Estimated Need	Assisted by Present Programs		Remaining Need	
		#	%*	#	%*
Elderly	1,218	589	48.0	629	52.0
All Families	8,224	660	8.0	7,564	92.0
Large	1,029	155	15.0	874	85.0
Small	7,195	317	4.0	6,878	96.0
TOTAL	9,442	1,249	13.0%	8,193	87%

* Percentage of SCAG Estimated Need

Source: SCAG Regional Housing Allocation Model; Housing assistance plan and Orange County Housing Authority.

Revised 1984



HUNTINGTON BEACH CALIFORNIA
PLANNING DIVISION

6.1.2 Warner Condominiums

The construction of a 102 unit condominium project has been approved on property located north of Warner Avenue, between Lynn and Sims Streets. This project will set aside all units for low and moderate-income households; 25 percent of the units shall be set aside for low income households and the remaining 75 percent for moderate income households. The completion date for this project has not been set.

6.1.3 Oakview Redevelopment

The City is working with owners of rental properties to encourage the rehabilitation of 16 fourplexes in the Oakview Redevelopment Project Area. These owners will have the opportunity to construct one additional unit on each fourplex property. Owners will be required to construct new enclosed garages as part of this program, and a street will be vacated for the provision of additional open space and recreation area for the project's tenants.

6.1.4 Tax Exempt Mortgage Program

Huntington Breakers - The City maintains an ongoing program to provide tax exempt mortgage financing for new multi-family housing. The City sells securities and bonds to provide financing for new multi-family housing. Purchasers of these bonds receive an interest rate that is below the current mortgage market; however, the income from the bonds is tax-exempt which increases the effective net yield to the bond holder. One project which will be financed in this way is the Huntington Breakers, which will contain 342 units. The Breakers has received all its entitlement approvals from the City and tax exempt financing for this project was closed on March 10, 1983. From this 342 unit project, 25 percent or 86 units will be allocated as affordable. In addition to the Huntington Breakers, the City is currently working with several developers for the provision of additional affordable housing for both seniors and small families. It is anticipated that construction from this planned, tax-exempt financing will total approximately \$20 million.

6.2 Assistance to Existing Units

6.2.1 Section 8 Assistance to Existing Units

HUD's Section 8 program provides rental assistance to households occupying existing units. Under the Existing Housing Program, assistance is provided directly to families through a public housing agency which makes payments to owners of rental units that qualify for the program. The City contracts with the Orange County Housing Authority to administer the Section 8 Rental Assistance

Program, which has issued 2,272 rent certificates in the city to date. Recipients locate their own housing subject to the landlord's participation in the program and the rent limits set by HUD. The recipient pays 30 percent of his or her household income toward the rent and the program pays the remainder. Section 8 subsidies have limitations on the amount of rent the certificate holder can pay for housing; since rental housing is often priced above these limits, acceptance in the program does not guarantee that housing will be obtained. As of February 1, 1984, about 511 of the certificates issued were in use in the city.

If recipients of Section 8 rental housing assistance certificates do not locate a housing unit that meets the program requirements within 60 to 120 days, their certificate becomes inactive. There are 1,009 inactive certificates for the city to date, indicating that households are often unable to locate suitable/ affordable housing even when assistance is available to them.

6.2.2 Section 8 Low Income Rental Assistance - New Construction Funds

Under this program, owners or developers of projects are guaranteed long-term housing assistance payments to make up the difference between a unit's "fair market rent" (established by HUD) and the tenant's contribution toward the rent, which must be at least 15 percent, but not more than 30 percent of the tenant's income. The projects using Section 8 subsidy are:

Wycliffe Gardens - The City contributed \$56,000 of CDBG funds to subsidize land costs for the Wycliffe project in 1980. This project is a 14-story 185 unit apartment complex for senior citizens. Individual units rent for approximately \$500.00 per month and are all eligible for federal subsidy.

Two other projects utilize Section 8 new construction subsidies. W & B Building, Incorporated constructed Surfside Villas, which contains 75 assisted rental units and Ayres Construction, Incorporated constructed Las Brisas, consisting of 30 assisted rental units. Both of these projects were required by the California Coastal Commission as a condition of approval for larger market rate condominium developments by the same builders. Since their construction, however, the Coastal Commission has lost its authority to condition new housing development in the coastal zone to provide affordable housing. New legislation now requires local governments to be responsible for overseeing the provision of affordable housing when market rate projects are approved in the coastal zone.

6.2.3 Neighborhood Preservation/Rehabilitation Loans

The City has allocated \$528,000 in CDBG funds for the 1983-84 fiscal year to provide low interest rehabilitation loans to owners of residential properties. Under this program, work has been completed on 39 residential properties and 64 other requests are currently being processed.

6.2.4 Community & Neighborhood Enhancement

The Community and Neighborhood Enhancement Program is a comprehensive program designed to promote and assist in the upgrading of selected older residential neighborhoods within the City. This program is designed to meet individual needs, to be responsive to the social and economic circumstance which exists within each neighborhood, to have strong resident and property owner support and backing, and to be limited to a few priority areas so that the full benefit of a concentrated effort might be realized by generating substantial physical and visual improvement within these areas. The areas within the Neighborhood Enhancement Program include the Oakview Neighborhood, Washington Street Neighborhood, Commodore Circle Neighborhood, South Shores, Liberty, Oldtown and Townlot Neighborhoods. There is a continuing effort to provide housing rehabilitation assistance to promote the renovation of existing units within these neighborhoods. Over 40 property owners have participated in the program to upgrade their properties within these neighborhoods. During this past year, new projects and programs have been established to carry out the community and neighborhood enhancement effort. The new projects and programs include the rehabilitation of 64 units in the Koledo Lane Project; improving the physical appearance of the Washington Street Neighborhood; and providing counseling services to assist new immigrant residents in the Commodore Circle Neighborhood in learning traditional modern domestic standards and practices.

6.2.5 Other Assisted Housing

Housing assistance is also provided to a number of households in Huntington Beach through HUD's Section 235 (Homeownership Assistance for Low and Moderate Income Families) and Section 236 (Rental and Cooperative Housing Assistance for Low Income Families) programs.

The 235 program provides mortgage insurance to purchasers of single family residences whose adjusted gross income is less than 95 percent of the area median income. After a 6 percent down payment, purchasers are required to spend at least 20 percent of their adjusted income toward monthly mortgage, insurance, and tax payments. This program also provides for subsidizing the mortgage interest rate to as low as 5 percent. The 235 program has been suspended and is currently unavailable. A total of 751 condominiums were sold under the 235 program in 1964. It is not known how many original owners still occupy the units purchased with Section 235 assistance.

Section 236 provides payments to mortgage lenders for multi-family projects to reduce mortgage interest rates to as low as 1 percent in order to make inexpensive rental or cooperative units available to low income households. Rents are limited to 25 percent of tenants' adjusted income. HUD pays additional subsidies to cover the difference between rents collected and the actual operating costs of the project. The 236 program has been suspended and is currently

unavailable; however, two apartment complexes of 198 and 40 units were previously constructed utilizing Section 236 assistance. Portions of these projects are occupied at subsidized rents, although the exact number of assisted households is not known.

6.3 Removal of Governmental Constraints

6.3.1 Fast Track Processing

The City expedites processing for any project with an affordable component which requires approval by the City's Planning Commission or Council. This program is helpful in reducing holding costs while processing the approvals necessary for zone changes, density bonuses, plan check and building permit procedures, and, therefore, results in lower construction costs and more affordable housing.

6.3.2 Senior Residential Suffix Zoning

The Senior Citizen Residential suffix was adopted to establish standards for residential developments designed to house senior citizens. By adopting these standards, the City recognizes that housing needs for senior citizens differ in some respects from the needs of non-seniors. When the suffix is applied to a property, certain development standards will be reduced; specifically, those related to minimum floor area, site coverage, building separation, building bulk, parking and open space. These reduced standards will enable senior citizen projects to be built and sold/rented at a more affordable cost.

6.3.3 Second Unit Ordinance

The City of Huntington Beach has amended its ordinance code by adding a new subsection pertaining to second units in single family residences. A second unit may be added to an existing single family residence subject to standards within the ordinance. This ordinance can provide a cost effective means of serving additional development through the use of existing infrastructure and should provide relatively affordable housing for low and moderate income small households within existing under-utilized structures. Second units will have the additional benefit of allowing many older persons to remain in their homes by providing additional income and security.

6.3.4 Mobilehome Overlay Zone and Conversion Ordinance

The Mobilehome Overlay Zone and Conversion Ordinance contains requirements for applying the mobilehome park overlay zone and provides minimum standards for an acceptable mobilehome relocation assistance plan if a mobilehome park is converted to other uses. Many senior citizens and low income households presently reside in the City's many mobilehome parks. The goal of the mobilehome relocation assistance plan is to provide alternative housing opportunities for mobilehome owners who may be displaced as a result of the conversion of mobilehome parks to other uses because of development activities within the community.

6.4 Orange County Fair Housing Council

Huntington Beach is a member of the Orange County Fair Housing Council and will contribute \$20,000 in Community Development Block Grant funds for its support this year. The basic programs of the Fair Housing Council include 1) housing discrimination response, 2) landlord-tenant counseling, 3) low income housing advocacy, 4) publication of the semi-yearly Forum newsletter, and 5) community awareness and education. In the first two quarters of 1983, 1,165 individuals residing in Huntington Beach were assisted by the Fair Housing Council.

6.5 Needs Addressed by Present Programs

SCAG estimates the number of elderly and handicapped households currently needing assistance to be 1,218. When completed, the Talbert-Beach Senior Housing Project will house 260 elderly households. There are 144 elderly households currently being assisted with Section 8 Existing subsidies and 185 elderly households receiving Section 8 Low Income Rental Assistance (New Construction); by 1985 a projected total of 589 elderly households will be assisted, about 48 percent of the estimated 1985 need.

Section 8 Existing subsidies are also assisting 367 families. (The actual number of certificates issued in the city, and their distribution to elderly and family applicants is determined by HUD based on the City's Housing Assistance Plan.) In addition, Section 8 Low Income Rental Assistance (New Construction) presently assists 105 families and new construction will provide an additional 188 units to be completed in 1985. This will provide a total of 660 family units or 8 percent of present need for all families. Of the 367 families receiving Section 8 assistance, 155 are large families (3 or more bedrooms) and 212 are small families (2 or less bedrooms). Current family need is estimated by SCAG at 1,029 for large families and 7,195 for small families. By 1985 present programs will have met 4 percent of the small family need and 15 percent of the large family need. Families, especially small families, appear to have the greatest need for housing assistance at this time. Table 6-1 indicates the number of units currently being assisted and the percentage these units constitute of the City's overall need.

6.6 Numerical Housing Goals

The SCAG-estimated future income housing need for low income households in Huntington Beach will be 4,292 by July of 1989. Current programs should provide 448 units by 1985--260 for the elderly and 188 for families, plus an additional 103 CDBG rehabilitation loans for a total of 551 units. There will still be a need for an additional 3,741 of low income housing units or 748 units per year by 1988.

SCAG estimated the future housing unit needs for moderate incomes to be 2,610 by 1989. The City should provide 522 units of moderate income housing per year until 1989. In addition, 33 units per year should be rehabilitated, and conserved, or a total of 165 units by 1989.

6.7 Evaluation of Housing Opportunities Under the 1979 Housing Element

During the five year period from 1979, when the City's last Housing Element was adopted, until 1984, SCAG's estimate of existing housing need in Huntington Beach increased by 1,857 units, from 7,585 to 9,442 units. A total of 841 units have been developed or are in the process of development under the policies of the 1979 Housing Element. In addition, 511 households now receive rental subsidies under Section 8. Altogether, 1,352 households have been or will be assisted through City programs. Although this number represents only 14 percent of the number of households needing assistance, it does indicate that the City is making a good faith effort to fulfill its commitment to its stated housing goals.

The need for affordable housing is now so great that local government alone cannot fulfill that need. A healthy housing market which produces the type of housing most in demand is the real hope for adequate housing for all economic segments of the community. The City can best facilitate this supply and demand process by recognizing the changing nature of the housing market and taking steps to facilitate private sector production of needed housing. This requires a slow process of educating the community and changing what are perceived as acceptable norms for housing in order to accommodate smaller, more intense types of projects which can meet the future needs of Huntington Beach residents. Shifts in community acceptance are always slow and tend to lag behind market demand. However, within the City such trends are already at work and can be seen in the number of recent approvals of market rate units which are small compared to the norms of the seventies, and configured as stacked flats to better utilize expensive infill land. These projects usually contain a high level of amenities in the common areas in order to provide a desirable residential environment. This type of product can be marketed at prices which are affordable to moderate income households, and in some instances, to low income households. They are proving to be extremely popular.

In recognition of these trends in the housing market, the City has acted upon policies in the Housing Element which will reinforce the natural market adjustment. Density bonuses are being encouraged in appropriate locations. The Senior Residential Suffix zoning was developed to facilitate senior housing. The multi-family zoning ordinances, under which both condominium and rental units are developed, are being revised. This will encourage small lot condominium projects which can utilize existing infill sites which are not attractive for development under present zoning regulations. The City's redevelopment program will place the City

in the position of a direct provider of affordable housing. Redevelopment law requires that 20 percent of all tax increment funds be devoted to affordable housing. As redevelopment progresses, this will result in many new affordable units within the City.

Over the past five years, the City has tested its Housing Element policies and found that some work better than others in the local context. Accordingly, this revised Housing Element has eliminated the unworkable policies, emphasized the useful ones and attempted to devise new policies which will further reinforce and encourage market production. In light of drastically reduced federal and state support of housing subsidy programs, this seems to be the only prudent, long-term approach to providing housing for all economic groups.

7 Housing In The Coastal Zone

7.0 HOUSING IN THE COASTAL ZONE

7.1 BACKGROUND

Housing in the coastal zone of Huntington Beach includes some of the newest and most expensive homes in the City as well as areas of very old, deteriorated and substandard housing. In many areas, small summer homes, a legacy of the City's early heyday as a beach resort, adjoin modern apartment units. Similarly, the coastal population ranges from affluent families to young, single apartment dwellers preferring a beach orientation, to senior citizens on fixed incomes in older dwellings or mobile homes. Some neighborhoods are very homogenous; others have several different co-existing uses.

According to the 1980 census data, there are 7,342 dwelling units in the coastal zone of Huntington Beach. This represents 11.5 percent of the total housing stock in the City. Of these, 5,171 are single family homes or condominiums. The remainder are apartments or mobile homes.

There are approximately 16,100 persons residing in the coastal zone, an average of 2.2 per household. This is below the City-wide average of 2.8 persons per household.

Approximately 1,300 persons age 65 and over live in the coastal zone, representing 8 percent of the total coastal population. Over 50 percent of the population of 65 and older is located in two census tracts containing large mobile home parks. Another 25 percent of the total senior population resides in the Huntington Harbour area. These two locations represent the extremes in housing

cost - from relatively low cost mobile home coaches to very expensive water-oriented locations. Seniors as a percentage of the total census tract population were very high in the tracts containing the mobile home parks - 21 and 29 percent respectively, but seniors comprised only 4.4 percent of the total population of Huntington Harbour. By comparison, seniors accounted for 5.9 percent of the total City population.

Within the coastal zone, 65 percent of the units were owner-occupied, while 24 percent were rented. The remaining 11 percent are assumed to be mobile home coaches, which are generally owned by the occupant, but situated on a leased space in a mobile home park. The average rents for a housing unit within the coastal zone was \$412 in 1980. This does not include rents on mobile home spaces.

Although mobile homes in the coastal zone represent only 11 percent of the total housing in City, they comprise almost a third of the total mobile homes in the City. Coastal mobile home parks are concentrated between Lake and Newland streets north of Pacific Coast Highway. This area has the highest proportion of elderly residents in the City and a lower than average median income. The monthly median mortgage payment is also low, indicating that mobile homes are a significant source of low and moderate income housing.

The incidence of overcrowded housing in the coastal zone was very small in 1980, amounting to only 116 cases. Overcrowding is defined as housing which has more occupants than rooms, (e.g. more than 1.01 occupant per room).

Twenty percent of all coastal zone households were composed of just one person. This is quite a high percentage and helps to account for the much smaller household size in the coastal zone than in the City as a whole.

In the older areas of the City's coastal zone many units have problems of age, deterioration and substandard conditions. The Community Analysis Report conducted by the City's Department of Housing and Community Development in June, 1977, identified 1,830 substandard units in the City by housing type and degree of deterioration. Of these, 1,260 units were concentrated in the Downtown and Oldtown areas, both of which lie partly within the coastal zone.

Parts of these areas and the old downtown of the City were recently included within a redevelopment project adopted by the City's Redevelopment Agency. Through public investment in redevelopment, the City hopes to join with the private sector in rehabilitating and upgrading the downtown, which will, in turn, encourage reinvestment in the surrounding residential neighborhoods.

7.2 COASTAL ZONE ACTIVITY

Government Code Section 65588(d) requires the City to include in its housing element: 1) a review of the number of housing units approved for construction within the coastal zone after January 1, 1982, 2) the number of housing units for persons and families of low or moderate income required to be provided in new housing developments either within the coastal zone or within three miles of the coastal zone, 3) the number of existing residential dwelling units occupied by persons and families of low or moderate income that have been authorized to be demolished or converted since January 1, 1982 in the coastal zone, and 4) the number of residential dwelling units for persons and families of low or moderate income that have been required for replacement of units authorized to be demolished or converted, giving the location of the replacement units. This section will address these requirements.

Since January 1, 1982, 5 dwelling units have been authorized to be demolished within the City's coastal zone. No units have been authorized to be converted. The five dwelling units authorized to be demolished were all single units and, therefore, exempt from replacement requirements under 65590(b)(1) of the Government Code. Since no units requiring replacement have been authorized for demolition or conversion, no replacement units have been required.

Since January 1, 1982, the following units have been authorized for construction in the coastal zone:

1. 53 single family homes on already existing lots,
2. 76 single family homes in a new subdivision,
3. One apartment unit;
4. 77 condominium and patio homes in a single project.

During this same period of time, 197 units of affordable housing have been approved for construction within three miles of the coastal zone. In addition, 164 units of affordable senior citizen housing have been approved, bringing the total affordable units approved since January 1, 1982 to 361.

It should be pointed out that there have been a fairly large number of market rate units approved for construction within three miles of the coastal zone which are selling, or will sell when completed, for prices that fall within the affordable range. These units are not built under development agreements, however, and can be sold to or occupied by persons of any income level. The fact that such units are being developed and sold without City participation indicates that market forces will encourage the production of affordable housing because that is where the demand is.

8 Goals, Policies, And Programs

8.0 GOALS, POLICIES, AND PROGRAMS

The City of Huntington Beach has adopted three goals for its housing program which are consistent with State and Regional housing policies. These goals are:

1. The attainment of decent housing within a satisfying living environment for households of all socioeconomic, racial, and ethnic groups in Huntington Beach.
2. The provision of a variety of housing opportunities by type, tenure, and cost for households of all sizes throughout the city.
3. The development of a balanced residential environment with access to employment opportunities, community facilities, and adequate services.

In order to progress toward the attainment of these goals, the City has committed itself to specific policies and programs. The policies are organized around five issue areas which are identified by the California Department of Housing and Community Development as important priorities in addressing local housing problems. This section presents a discussion of the problems inherent in each of the issue areas, followed by policies adopted by the City to resolve these problems. The programs intended to effect their solution then are discussed, including anticipated impacts, responsible agencies, financing, and the time frame for completion of each program.

8.1 ACCESSIBILITY

Providing housing opportunities for all households regardless of race, color, religion, sex, family size, marital status, national origin, ancestry, age or physical disability is an essential element of a sound housing program. In order to assure non-discrimination in housing, the City contracts with the Orange County Fair Housing Council which investigates complaints of discrimination because of race, ethnicity, marital status, or sex. The Fair Housing Council also handles problems with evictions, rent increases, substandard housing conditions, and disputes regarding deposit returns, as well as arbitrating landlord-tenant conflicts.

One problem needing attention is that of handicapped and elderly persons whose access to decent housing may be prevented by architectural barriers. Policies and actions addressing these special needs have been included under accessibility because it is felt that the lack of assistance to these groups may constitute a subtle, if unintended, form of housing discrimination.

8.1.1 Policies

In order to assure accessibility to decent housing for all, the City of Huntington Beach shall:

- Promote fair housing practices throughout the city.
- Promote housing which meets the special needs of handicapped and elderly persons.
- Encourage the provision of adequate numbers of housing units to meet the needs of families of all sizes.

8.1.2 Programs

8.1.2.1 Action: Utilize the services of the Orange County Fair Housing Council.

Anticipated Impact: All complaints of discriminatory practices in housing within the city will receive attention. In addition, OCFHC will provide counseling in landlord-tenant disputes, special assistance for ethnic minority and female-headed households (which includes escort services to locate adequate housing), bilingual housing literature and video-tape presentations, day-care services, and housing assistance counseling.

Responsible Agencies: Huntington Beach HCD

Financing: The City will contribute to the Orange County Fair Housing Council. \$20,000 in CDBG funds have been approved for its support this year.

Schedule: Ongoing

8.1.2.2 Action: The City will make available Redevelopment Agency-owned property within the Talbert-Beach redevelopment area for the construction of senior citizen housing.

Anticipated Impact: Aid in production of 164 units for senior citizen housing.

Responsible Agencies: Huntington Beach HCD/Redevelopment Agency

Financing: \$4.6 million Tax Exempt

Schedule: 1985 Financing \$340,000 CDBG Loan

8.1.2.3 Action: Develop City standards to implement new state and federal laws for access and adaptability for the physically handicapped.

Anticipated Impact: More locational choice for the physically handicapped due to an increase in the supply of suitable rental units.

Responsible Agencies: Huntington Beach HCD and Department of Development Services.

Financing: Department Budgets

Schedule: 1984-1985

8.1.2.4 Action: Maintain a directory of accessible housing for handicapped persons, and provide referral services.

Anticipated Impact: Assistance to handicapped persons in locating housing.

Responsible Agencies: Huntington Beach HCD and the Dayle MacIntosh Center

Financing: No cost to the City

Schedule: Ongoing

8.1.2.5 Action: Provide grants to owners of rental housing for modifications necessary to make units accessible to and suitable for the physically disabled.

Anticipated Impact: The provision of an increased number of rental units suitable for physically disabled persons.

Responsible Agencies: Huntington Beach HCD and the Dayle MacIntosh Center

Financing: \$1500/unit grant from CDBG funds

Schedule: Ongoing

8.1.2.6 Action: As part of the ongoing rehabilitation program, fund rehabilitation loans which include improvements to make housing accessible to handicapped persons within designated neighborhoods.

Anticipated Impact: An increased amount of locational choice for the physically disabled.

Responsible Agencies: Huntington Beach HCD

Financing: CDBG funds (see Section 8.4.2.3)

Schedule: Ongoing

8.2 ADEQUATE PROVISION

Adequate provision for the housing needs of all economic segments of the community is an issue of the highest priority in Huntington Beach. For reasons previously discussed, it appears unlikely that market forces alone will produce enough housing that is affordable to low and moderate income households to meet expected needs. Since decent housing for all is important to the welfare of the entire city, it is particularly important to address this need through the use of those public powers which impact housing.

8.2.1 Policies

To ensure adequate provision of housing for all economic segments of the community, the City of Huntington Beach shall:

- Utilize developer agreements and density bonuses where feasible to encourage the production of low and moderate income housing.
- Take advantage of existing infrastructure and public improvements to provide additional affordable housing by allowing second units in single family zoning districts.
- Encourage mixed-use projects containing residential and non-residential uses which can take advantage of shared land costs to reduce the costs of land for residential uses.
- Promote adoption of development standards which reduce housing costs.
- Continue to expedite the permit process for residential projects.
- Undertake economically feasible programs to provide for housing throughout the community to meet the needs of low and moderate income households.

- Provide the management and personnel resources necessary to carry out identified housing programs and responsibilities.
- Continue and expand utilization of Federal and State housing assistance programs.
- Encourage the participation and financial commitment of private entities in attaining housing goals.
- Encourage the provision and continued availability of a range of housing types throughout the community, with variety in the number of rooms and level of amenities.
- Promote the availability of sufficient rental housing stock to afford maximum choice of housing type for all economic segments of the community.
- Encourage the retention of adequate numbers of mobile homes and investigate areas for potential new mobile home zoning.
- Encourage the provision of alternative housing through replacement housing and/or relocation for low or moderate income households displaced by public or private developments.
- Ensure that any adverse impacts are minimized when increasing densities or relaxing standards in order to provide for low and moderate income housing.
- Continue to enforce the mobile home conversion ordinance.

8.2.2 Programs

8.2.2.1 Action: Continue to provide tax-exempt single family mortgage revenue bonds to provide below market rate financing for moderate income first-time buyers.

Anticipated Impact: Make a greater share of housing stock available to first-time buyers.

Responsible Agencies: HCD

Financing: Huntington Beach sale of mortgage revenue bonds

Schedule: Ongoing

8.2.2.2 Action: Consider the feasibility of permitting a waiver or reduction of development fees for projects participating in an affordable housing program.

Anticipated Impact: If feasible, such an amendment could be expected to decrease the cost of housing.

Responsible Agencies: Department of Development Services

Financing: Department budget

Schedule: 1985

8.2.2.3 Action: Provide consultation and technical assistance to aid private developers in expanding housing opportunities.

Anticipated Impact: Increased housing choice and more affordable housing.

Responsible Agencies: Department of Development Services and Huntington Beach HCD

Financing: Department administrative budgets

Schedule: Ongoing

8.2.2.4 Action: Initiate an outreach campaign to solicit participation of private developers in affordable housing programs; maintain a roster of interested firms.

Anticipated Impact: The production of affordable housing.

Responsible Agencies: Huntington Beach HCD

Financing: HCD Administrative Budget

Schedule: Ongoing

8.2.2.5 Action: Continue to contract with the Orange County Housing Authority to administer the Section 8 Housing Assistance Program and any successor programs.

Anticipated Impact: Maintenance of the current level of assisted housing participation in the City.

Responsible Agencies: Huntington Beach HCD and the Orange County Housing Authority.

Financing: HCD Administrative funds/OCHA

Schedule: Ongoing

8.2.2.6 Action: Contract with the Orange County Housing Authority to screen and verify incomes of potential participants in housing programs.

Anticipated Impact: Ensure that recipients of affordable housing are qualified for such housing.

Responsible Agencies: Huntington Beach HCD/OCHA

Financing: HCD Budget

Schedule: Ongoing

8.2.2.7 Action: Review development standards to determine which ones can be relaxed in order to reduce housing cost; process appropriate code revisions.

Anticipated Impact: Reduction in the cost of housing.

Responsible Agencies: Department of Development Services

Financing: Department Budget

Schedule: 1985

8.2.2.8 Action: Continue to provide tax exempt mortgage financing for new multi-family housing.

Anticipated Impact: The Huntington Breakers will contain 342 units. Of these 25 percent or 86 units will be allocated as affordable and offered on first right basis to Redevelopment Agency's relocation/replacement housing.

Responsible Agencies: HCD/Redevelopment Agency

Financing: \$16 million tax exempt financing (closed in March 1983)

Schedule: 1984

8.2.2.9 Action: Revise the multi-family zoning ordinances to reduce required recreation space and common open space in smaller projects.

Anticipated Impact: Reduction of required recreation facilities and common open space in smaller projects will make infill development on smaller parcels more feasible, and reduce the cost of multi-family projects.

Responsible Agency: Department of Development Services

Financing: Department Budget

Schedule: 1985

8.3 STANDARDS AND PLANS FOR ADEQUATE SITES

A key element in satisfying the housing needs of all segments of the community is the provision of adequate sites for housing of all types, sizes, and prices. This is an important function of both zoning and General Plan land use designations. Since the city is already developed to a large extent, provision for future housing needs may require the rezoning of some areas where appropriate to meet housing needs and where economically feasible in terms of City facilities and services. An assessment of the adequacy of sites must include the collective capacity of sites community-wide as well as the suitability of individual sites for non-market rate housing.

8.3.1 Policies

To assure the adequate provision of sites for housing, the City of Huntington Beach shall:

- Utilize the following criteria for identifying and evaluating potential sites for low and moderate cost housing. Sites should be:
 - located with convenient access to:
arterial highways and public transportation
schools, parks, and recreational facilities
shopping areas
employment opportunities
 - adequately served by public facilities, services, and utilities
 - minimally impacted by seismic and flood hazards. Where such hazards cannot be avoided, adequate mitigation measures shall be incorporated into the design of all proposed development.
 - minimally impacted by noise and blighted conditions
 - compatible with surrounding existing and planned land uses
 - located outside areas of predominantly lower income concentrations
- Plan for residential land uses which accommodate anticipated growth from new employment opportunities.
- Locate residential uses in proximity to commercial and industrial areas and transportation routes to provide convenient access to employment centers.

- Promote the rezoning of vacant or recyclable parcels of land to higher densities where compatible with surrounding land uses and available services in order to lower the cost of housing.
- Utilize surplus park and/or school sites for residential use where appropriate and consistent with the City's General Plan.

8.3.2 Programs

8.3.2.1 Action: Review the proposed comprehensive revision of Division 9 of the City Municipal Code to ensure it reflects Housing Element policies and programs while maintaining adequate standards for development.

Anticipated Impact: Ensure consistency in carrying out the housing program while maintaining quality development.

Responsible Agencies: Department of Development Services

Financing: Department budget

Schedule: 1985-1986

8.3.2.2 Action: Monitor changes in industrial and commercial land uses to assess their impact on residential land use.

Anticipated Impact: This action is intended to reflect changing conditions in the city in order to adequately respond to current housing needs.

Responsible Agencies: Department of Development Services

Financing: Department budget

Schedule: Ongoing

8.3.2.3 Action: Investigate the feasibility of utilizing vacated school and park sites and other publicly owned land for low and moderate cost housing.

Anticipated Impact: Increase in the availability of sites for low and moderate income housing, and provision of incentives to private developers to produce affordable housing.

Responsible Agencies: Department of Development Services and Department of Public Works

Financing: Department budgets

Schedule: Ongoing

8.3.2.4 Action: Investigate General Plan land use and zoning designations to determine where increased densities can be utilized to provide for rental units for households of lower and moderate incomes.

Anticipated Impact: Increase in the number of suitable sites for development of affordable housing.

Responsible Agencies: Department of Development Services

Financing: Department budget

Schedule: 1985-1986

8.4 PRESERVING HOUSING AND NEIGHBORHOODS

The State of California has made housing preservation and conservation a high statewide priority. While most of the city's housing stock is less than 20 years old and in good condition, a recent Community and Neighborhood Enhancement Program identified areas of deteriorated older units. Two neighborhoods in particular, the Downtown and the Oakview neighborhood, have been designated as targets for rehabilitation under the Community Development Block Grant Program. Investor-owners within the Oakview Area have expressed enthusiastic support for this project and currently 64 units within the area are being rehabilitated.

8.4.1 Policies

In order to preserve housing and neighborhoods, the City of Huntington Beach shall:

- Encourage the maintenance and repair of existing owner-occupied and rental housing to prevent deterioration of housing in the city.
- Encourage the rehabilitation of substandard and deteriorating housing where feasible.
- Where possible, take action to promote the removal and replacement of those substandard units which cannot be rehabilitated.
- Provide and maintain an adequate level of community facilities and municipal services in all community areas.
- Improve and upgrade community facilities and services where necessary.

8.4.2 Programs

8.4.2.1 Action: Review all changes in planned land uses to determine the cumulative impact on community facilities.

Anticipated Impact: The assurance of adequate levels of community facilities and services to all areas of the city.

Responsible Agencies: Department of Development Services and Department of Public Works

Financing: Department budgets

Schedule: Ongoing

8.4.2.2 Action: Continue to make available low interest rehabilitation loans for low-income owner-occupied housing.

Anticipated Impact: Rehabilitation of deteriorated housing in the city and preservation of existing single family housing stock. The program goal is 25 units per year with a maximum loan of \$15,000 per unit.

Responsible Agencies: Huntington Beach HCD

Financing: \$950,000 CDBG original loan pool; \$200,000 annual addition.

Schedule: Ongoing

8.4.2.3 Action: Enhance and preserve the multi-family housing stock within the Oakview Nieghborhood.

Anticipated Impact: The rehabilitation of 64 units in the Koledo Demonstration Program is underway and the program will be expanded to the remainder of the area in the future years.

Responsible Agencies: Huntington Beach HCD/Redevelopment Agency

Financing: CDBG Rehabilitation Loan Pool; possible use of Redevelopment Agency Funds

Schedule: Ongoing

8.4.2.4 Action: Within selected target areas, provide low interest rehabilitation loans to investor-owners of multi-family rental housing.

Anticipated Impact: Rehabilitation of deteriorating multi-family housing and the preservation and enhancement of rental housing stock occupied by low and moderate income households. Goal of 35 units per year.

Responsible Agencies: Huntington Beach HCD

Financing: CDBG Loan Pool and CDBG Funds

Schedule: Ongoing

8.4.2.5 Action: Monitor housing conditions in neighborhoods considered marginal or at risk for deteriorated conditions in order to identify the need to expand existing rehabilitation programs.

Anticipated Impact: The prevention of deterioration in marginal neighborhoods.

Responsible Agencies: Huntington Beach HCD

Financing: CDBG funds

Schedule: Ongoing

8.4.2.6 Action: In concert with a private developer, develop and implement a comprehensive improvement plan for Commodore Circle.

Anticipated Impact: Rehabilitation of 80 units and initiation of occupancy and maintenance standards.

Responsible Agency: HCD

Financing: \$200,000 in CDBG funds/Rdevelopment Agency Tax Exempt Financing

Schedule: 1984-1985

8.4.2.7 Action: Prepare a City-wide Maintenance ordinance.

Anticipated Impact: Provide an enforcement tool to insure uniform maintenance consistent with the standard prevalent in the community.

Responsible Agency: HCD

Financing: Department Budget

Schedule: 1985

8.4.2.8 Action: Continue to actively enforce land use ordinances.

Anticipated Impact: Improved maintenance throughout the City.

Responsible Agency: Department of Development Services

Financing: Department Budget

Schedule: Ongoing

8.5 PRESERVING AFFORDABILITY

An important aspect of making housing available to all economic segments of the community is ensuring that assisted housing remains affordable to the income groups for which it was intended or which presently occupy it. In the rental housing market, the priority of preserving affordability may conflict with that of preserving housing and neighborhoods, since rehabilitated units can command higher rents. This conflict necessitates a delicate balance.

8.5.1 Policies

In order to preserve affordability, the City of Huntington Beach shall:

- Promote and, where possible, require the continued affordability of all units produced with participation by the City or its authorized agents including density bonuses and tax exempt financing.
- Encourage the continued affordability of those units utilizing public funds for rehabilitation.
- Regulate the conversion of existing apartment units to condominiums to minimize the adverse impact of such conversion on the supply of low and moderate income rental housing, keeping in mind that condominium conversion may, at time, provide affordable opportunities for home ownership.

8.5.2 Programs

8.5.2.1 Action: Oversee the requirements for continued affordability of low and moderate income units produced under the housing program with tax exempt financing.

Anticipated Impact: The retention of affordable units produced with the tax exempt financing program.

Responsible Agencies: HCD/Redevelopment Agency

Financing: Proceeds of tax exempt securities sales

Schedule: Ongoing

8.5.2.2 Action: Prepare a condominium conversion ordinance.

Anticipated Impact: Regulate the conversion of rental housing to ownership units in order to mitigate impacts on affordable rental housing.

Responsible Agencies: Department of Development Services and the Office of the City Attorney

Financing: Department budgets

Schedule: 1984

- 8.5.2.3 Action: Continue to pursue production of affordable housing, utilizing CDBG funds, Redevelopment Agency funds and other available resources to meet the Redevelopment Agency's ongoing relocation/replacement agency obligations.

Anticipated Impact: Increase the supply of affordable housing.

Responsible Agencies: Department of Development Services and Huntington Beach HCD/Redevelopment Agency

Financing: CDBG funds; Redevelopment Agency funds and other resources as available.

Schedule: Ongoing

- 8.5.2.4 Action: Create and maintain an inventory of sites potentially suitable for affordable housing and refer these to private developers.

Anticipated Impact: This action will facilitate the production of affordable housing.

Responsible Agencies: Huntington Beach HCD/Redevelopment Agency

Financing: CDBG funds/Tax Exempt Financing

Schedule: Ongoing

- 8.5.2.5 Action: Meet and consult with mobile home owners who are potential displacees from mobilehome parks which intend to convert to other uses.

Anticipated Impact: Assessment of impacts and preparation of strategies to address needs of displacees.

Responsible Agencies: Redevelopment Agency and Department of Development Services

Financing: Department Budgets

Schedule: Ongoing

- 8.5.2.6 Action: Provide financial assistance for relocation of persons displaced by redevelopment activities, including occupants of mobilehomes.

Anticipated Impact: Mitigation of adverse impacts on displaced residents.

Responsible Agency: HCD

Financing: CDBG funds \$585,000 1984-85

Schedule: Ongoing

8.6 ENERGY CONSERVATION

Reducing expenditures for energy can result in effective reductions in housing expense, since the costs of utilities are part of overall housing costs. The City does, therefore, want to encourage more efficient use of energy, to promote both private benefits (less expensive utility bills) and public benefits (reduced reliance on imported fuel).

8.6.1 Policies

- Encourage passive solar design in the development of new housing.
- Consider developing retrofit ordinances requiring attic insulation and weatherstripping to be implemented at the time of resale or improvements to the dwelling.
- Investigate the feasibility of the using of renewable energy sources (solar and geothermal) for hot water, space, and pool heating of larger housing developments.
- Study the possibility of revising current zoning regulations to ensure solar access.
- Study the possibility of revising subdivision regulations to address solar access.
- Review and revise current municipal landscaping and tree policies so that landscaping in the City minimizes shading of solar systems.
- Revise local EIR and site plan review guidelines to address the issue of solar access.
- Encourage CC&Rs that protect solar access in new development.
- Adopt development standards that specify to what extent energy features must be incorporated into residential projects.
- Continue to encourage alternatives to the automobile such as buses, bicycling, and walking.

Appendix A

APPENDIX A

DEFINITIONS

Adequate housing: Housing which

- 1) is structurally sound, water-tight and weather-tight, with adequate cooking and plumbing facilities, heat, light, and ventilation.
- 2) contains enough rooms to provide reasonable privacy for its occupants.
- 3) is within the economic means of the households who occupy it.

Affordability: The relationship between household income and housing costs. A housing unit is considered affordable if the cost to occupy it does not exceed 30 percent of the gross income of the household that occupies it.

Amenity: Any service or facility which extends beyond the definition of adequate housing.

Council of Governments: An organization created to undertake regional planning and whose membership is composed of elected officials of local governments in the planning area; an organization recognized as an areawide planning organization by the Federal Department of Housing and Urban Development.

Department of Housing and Community Development (HCD): The department of the California State Government which is responsible for preparation of the statewide housing element and housing element guidelines, review of local housing elements, and technical assistance to local jurisdictions.

Elderly: Persons 62 years of age or older.

General housing market or market area: A regional geographical unit characterized by an economic and social interdependence with respect to the provision of housing and employment opportunities.

Handicapped: Persons determined to have a physical impairment or mental disorder which is expected to be of long-continued or indefinite duration and is of such a nature that the person's ability to live independently could be improved by more suitable housing conditions.

Household: All persons occupying a single dwelling unit.

Housing Unit: The place of permanent usual abode of a person, including a single-family dwelling, a single unit in a two-family dwelling, multi-family or multi-purpose dwelling, a unit of a condominium or cooperative housing project, a nonhousekeeping unit, a mobile-home, or any other residential unit which is considered to be real property under State law.

Income: Salary and/or wages, interest from assets, tips, pensions, assistance grants.

Income ranges: Those categories established for the purposes of defining households of low, moderate, and upper earnings. The listing below shows income categories and their corresponding dollar ranges based on the most recent Orange County median income for a family of four (1984: \$35,823).

<u>Category</u>	<u>Definition</u>	<u>Current dollar range</u>
Low	0-80% of OC median	\$ 0 - 17,912
Moderate	80-120% of OC median	\$19,913 - 28,658
Upper	Over 120% of OC median	\$28,659 - 42,988

Large family: A family of 5 or more persons

Locality: Any county, city and county, or city including charter cities.

Market-rate household: A household which, as determined by the allocating entity, has the financial capability to meet its housing needs without sacrificing other essential needs.

Needing rehabilitation: A housing unit which in its present state materially endangers the health, safety, or well-being of its occupants in one or more respects, and which is economically feasible to repair.

Needing replacement: A housing unit which in its present state materially endangers the health, safety, or well-being of its occupants in one or more respects, and which is not economically feasible to repair.

Non-market-rate household: A household which does not have the financial capability to meet its housing needs without sacrificing other essential needs.

Overcrowding: Households which have 1.01 or more persons per room.

Southern California Association of Governments (SCAG): The council of governments established by local governments in Los Angeles, Orange, Ventura, San Bernardino, Riverside and Imperial Counties to facilitate regional planning for the area.

Standard Metropolitan Statistical Area (SMSA) An entity consisting of a central city (or cities) and economically dependent suburban cities including the counties in which they are located, as determined by the U.S. Office of Management and Budget.

Suitability/habitability: The condition of a housing unit; households living in units requiring rehabilitation or replacement are considered to have needs with respect to suitability and/or habitability.

Very low-income household: A household whose income, with adjustments for household size, does not exceed 50 percent of the median household income of the county.

Appendix B

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ENTITLEMENT PROGRAM				1. NAME OF COMPANY
HOUSING ASSISTANCE PLAN				2. GRANT NUMBER
				B - 84 - MC - 06 - 0506
3. PERIOD OF APPLICABILITY FROM: October 1, 1983 TO: September 30, 1984				5. HUD APPROVAL
4. DATE OF SUBMISSION Sept. 30, 1983		4a. <input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision <input type="checkbox"/> Amendment		(Signature of Authorized Official) _____ (Date) _____

PART I - HOUSING ASSISTANCE NEEDS

TABLE I - HOUSING STOCK CONDITIONS

TENURE TYPE	STANDARD UNITS		SUBSTANDARD UNITS		SUBSTANDARD UNITS SUITABLE FOR REHAB		
	OCCUPIED UNITS	VACANT UNITS	OCCUPIED UNITS	VACANT UNITS	OCCUPIED UNITS		VACANT UNITS
	A	B	C	D	Total	Lower Income	G
6 Owner	34,638	642	549	10	378	68	8
7 Renter	25,535	1,103	704	17	325	133	13

TABLE II - RENTAL SUBSIDY NEEDS OF LOWER INCOME HOUSEHOLDS

		ELDERLY			SMALL FAMILY			LARGE FAMILY			TOTAL	
		H	I	J	K	L	M	N	O	P	Q	R
8 Very Low Income		688		3,182		337		4,187				
9 Percent		16.0 %		76.0 %		8.0 %		100%				
10 Other Lower Income		356		2,734		241		3,331				
11 ETR		93		1,454		481		2,028				
12 To be Displaced		135		60		7		202				
13 Total		1,252		7,430		1,066		9,748				
14 Percent		12.8 %		76.2 %		10.9 %		100%				

PART II - THREE YEAR GOAL

TABLE I - UNITS TO BE ASSISTED

		REHABILITATION OF SUBSTANDARD UNITS		NEW CONSTRUCTION		CONVERSION TO STANDARD UNITS		HOME IMPROVEMENTS	
		L	M	N	O	P	Q	R	
15 Owner		108	0	0	0				0
16 Renter		232	628	0	0				0

(UNITS EXPECTED TO ASSIST LOWER INCOME HOUSEHOLDS)

17 Owner		54	0	0				0
18 Renter		146	318	0				0

TABLE II - LOWER INCOME HOUSEHOLDS TO RECEIVE RENTAL SUBSIDIES

		ELDERLY			SMALL FAMILY			LARGE FAMILY			TOTAL	
		P	Q	R	S	T	U	V	W	X	Y	Z
19 Households to be Assisted		52	263	35	350							
20 Percent		15 %	75 %	10 %	100%							

TABLE III - GOALS FOR HUD RESOURCES: SUBJECT TO LOCAL REVIEW AND COMMENT

		ELDERLY			SMALL FAMILY			LARGE FAMILY			TOTAL	
		1	2	3	4	5	6	7	8	9	10	11
21 Households to be Assisted		52	263	35	350							

HOUSING TYPE PREFERENCE (Maximum Number of Units that will be Accepted)

22	NEW	REHAB	EXISTING	
	300	250	500	1,050

23 Check this box if the applicant wishes to review State Housing Agency proposals within its jurisdiction.

PART III - GENERAL LOCATIONS

24	Attach map identifying the general locations of proposed assisted housing.
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H.A.P. Narrative

Substandard definition:

The City of Huntington Beach uses the definition of substandard as established in the Uniform Building Code and as periodically amended. This is generally interpreted to mean that the dysfunction or failure of any one major building system (e.g. roof, plumbing, electrical, or heating, etc.) will result in the structure being classified as substandard.

Suitable for Rehabilitation

Those units identified as substandard are considered suitable for rehabilitation if cost of repair or replacement of disfunctionate or failed building systems does not exceed the economic value of the structure after rehabilitation and if the rehabilitation will substantially prolong the economic life of the structure to provide decent, safe and sanitary shelter.

H.A.P. Narrative

Expected to Reside

The E.T.R. figures on line 11 of Part 1, Table 1 are derived from the SCAG RHAM 83 Draft distributed by EMAD proportions as follows:

<u>elderly</u>	<u>small family</u>	<u>large family</u>
4.6%	71.7%	23.7%

H.A.P. Narrative

The needs of minority households in substandard housing by tenure type are as follows:

	<u>Owner</u>	<u>Renter</u>
Black	4	5
Hispanic	94	362
Indian	5	4
Asian	105	128
Other	<u>9</u>	<u>7</u>
	217	506

Source: SCAG RHAM 83, and Los Angeles Area Office HUD EMAD and Equal Opportunity Divisions

It is expected that these households will be eligible for and receive assistance in a share consistent with each minority's representation in the community at large.

The estimates of the low-income minority households requiring rental subsidies by household type by minority household category are as follows:

	Elderly	Small Family	Large Family	Total
Hispanic	225	917	94	1236
Black	51	18	2	71
Indian/Asian	<u>34</u>	<u>136</u>	<u>14</u>	<u>184</u>
	310	1,071	110	1,491

Source: LAAO HUD EMAD

H.A.P. Narrative

Special Needs of the Handicapped

The estimates for households with handicapped members within Huntington Beach are as follows:

Very low income, Non-Elderly, 1 person	124
Other, Non-Elderly 1 person	90
	<u>214</u> Subtotal
Small families with handicapped members	435
Large families with handicapped members	<u>107</u> Subtotal

To address these needs the City will include handicapped accessible units in any new construction projects, has identified rental units suitable for handicapped accessibility modifications, is using CDBG levels to provide grants of up to \$1500/unit to participating landlords, and is working closely with the Dayle MacIntosh Center for the Disabled of Orange County to provide an ongoing referral service to landlords.

H.A.P. Narrative

Special needs of single individuals with dependent children

The estimates of households with single parents within the City of Huntington Beach are as follows:

	<u>Estimate</u>
Female household heads with dependent children less than 18 years old	4,268
Male household heads with dependent children less than 18 years old	910
	5,178 TOTAL

It is expected that those households in this group that require housing assistance will receive such assistance in a share proportionate to the representation in the community at large. In addition, the City has used CDBG funds to provide a 4500 square foot Day Care Center to aiding the special needs of households with single parents and dependent children.

H.A.P. Narrative

Standard residential units to be demolished by tenure type are estimated to be as follows:

Owner	-0-
Renter	180
Source	City survey of mobile home occupants within coastal zone and likely to be displaced over 3 year term of Housing Assistance Plan.

H.A.P. Narrative for 3 year goal

The actions regarding the stated three year goal are as follows:

- a. The City is making available, a City-owned site within the Talbert-Beach Redevelopment Project Area for the provision of 124 rental units for low income seniors. This site was originally intended to be used for an elementary school and was subsequently acquired by the City for park purposes and now has been allocated for use as a senior housing site. In addition, property owners of two adjacent sites have expressed interest in devoting a share of their property to similar rental housing for senior citizens and the City through its Redevelopment Agency, will provide assistance to these property owners in the provision of 96 additional rental units for seniors. In addition, access and other public improvements necessary to make these sites available for senior housing will be provided through previously budgeted CDBG funds.
- b. Also in the Talbert-Beach Redevelopment Project Area, the City is in the process of preparing and adopting an amendment to the local zoning ordinance which will provide for a new SR suffix. This SR suffix (senior residential) will provide a mechanism which may be applied not only in the Talbert-Beach Redevelopment Project Area, but which may subsequently be used at other sites throughout the City. This amendment will provide for certain reductions in open space parking and covered parking ratios which are normally required in multi-family construction.
- c. The City also expedites processing for any project with an affordable component and which requires entitlement to use approvals by the City's Planning Commission or City Council. These actions are evident in processing the approvals necessary for zone changes, density bonuses, plan check and building permit procedures for previously completed affordable housing projects (Wycliffe Gardens, Surfside Villas) as well as for planned projects (Huntington Breakers, 342 unit apartment project).
- d. The City of Huntington Beach intends to continue its current contract with the Orange County Housing Authority for the administration of the Section 8 existing and Section 8 Moderate Rehabilitation Programs. It is anticipated that the Orange County Housing Authority will also handle the administration of any subsequent housing assistance program offered through HUD such as the "voucher" program yet to be implemented.
- e. The City anticipates several actions to promote and assist developers in the provision of assisted housing. These are:
 1. The City maintains an ongoing program to provide tax-exempt mortgage financing for new multi-family housing. One such project, Huntington Breakers - 342 units, has received all its entitlement approvals from the City and tax-exempt financing for this project was closed on March 10, 1983. Of this project's 342 units, 25% will be allocated

as affordable. In addition, the City is currently working with several developers for the provision of additional affordable housing for both seniors and small families. It is anticipated that this planned, tax-exempt financing, will total approximately \$20 Million and will be consummated by July, 1983.

2. The City is also working with owners of rental properties to encourage the rehabilitation of sixteen 4-plexes in the Oakview Redevelopment Project Area and will make available to these owners the opportunity to construct one additional unit on each 4-plex property. Owners will also be required to construct new enclosed garages as part of this program, and a street will be vacated for the provision of additional open space and recreation area for the project's tenants. Each of these buildings will also include at least one Section 8 Moderate Rehabilitation Unit from the currently authorized 25 units available within Huntington Beach.
 3. The City is working with the Dayle MacIntosh Center for the disabled of Orange County to encourage owners of rental units to make a share of such units available for accessibility modifications. The City is making available, through CDBG funds, \$1500 Grants/per unit to participating property owners so that existing apartments within the community can be modified to meet the needs of households with handicapped or physically disabled members. This is an ongoing activity and is expected to continue for a 3 year term of this Housing Assistance Plan.
- f. The City's principal efforts to reduce the cost of housing development are related in the items above (e.g. making available on-sites, providing street access improvements, and the provision of tax-exempt mortgage financing at interest rates below those available on the conventional market). While City ordinance does not permit the waiver of usual park and recreation or other development fees, the City does assess proposals for the construction of new multi-family housing which contain an affordable component on a case-by-case basis to determine if a reduction of such fees or other direct financial assistance is warranted to enhance the economic feasibility of the project and assure affordability.



C124885505

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